

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Maryland has undertaken a major planning initiative called the Consolidated Plan. The Consolidated Plan is a planning tool required by the U.S. Department of Housing and Urban Development (HUD) that guides the use of federal, and to a lesser extent State, housing and community development funds. This document is the Annual Action Plan for Federal Fiscal Year 2016 which covers the period July 1 2016 through June 30, 2017, also known as State Fiscal Year 2017. HUD has established three basic goals for the Consolidated Plan. The goals are:

Goal 1. To provide decent housing

Goal 2. To provide a suitable living environment, and

Goal 3. To expand economic opportunities.

Goal 1 includes: Assisting homeless persons to obtain housing, retaining the affordable housing stock, increasing the availability of permanent housing that is affordable to low-income Americans without discrimination, improving access to housing credit, and increasing supportive housing that includes structural features and services to enable persons with special needs to live in dignity.

Goal 2 includes: Improving the safety and livability of neighborhoods, increasing access to quality facilities and services, reducing the isolation of income groups within areas by de-concentrating housing opportunities and revitalizing deteriorating neighborhoods, restoring, enhancing and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons, and conserving energy resources.

Goal 3 includes: Creating jobs accessible to low-income persons, providing access to credit for community development that promotes long-term economic and social viability, and empowering low-income persons to achieve self-sufficiency in federally-assisted and public housing.

Efforts to achieve each of these goals must primarily benefit low-income persons. The Consolidated Plan must be developed in accordance with the following statutory goals: Elimination of slums and blight, elimination of conditions that are detrimental to health, safety and public welfare, conservation and expansion of the nation's housing stock, expansion and improvement of the quantity and quality of community services, better utilization of land and other natural resources, reduction of the isolation of income groups within communities and geographic areas, restoration and preservation of properties of special value, alleviation of physical and economic distress, and conservation of the nation's scarce energy resources.

It should be noted that the State's Consolidated Plan primarily focuses on the State's non-entitlement jurisdictions. The non-entitlement jurisdictions are areas, primarily rural, which do not receive direct allocations of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG) and Housing Opportunities for Persons With AIDS (HOPWA) funds directly from HUD. Rather, the State administers these funds on their behalf. The State's entitlement jurisdictions which are NOT covered by the State's Plan – because they receive direct funding from HUD - are Anne Arundel, Baltimore, Harford, Howard, Montgomery and Prince George's Counties, and the Cities of Annapolis, Baltimore, Bowie, Cumberland, Frederick, Gaithersburg, Hagerstown and Salisbury. All other areas in the State fall under the State's Consolidated Plan.

2. Summarize the objectives and outcomes identified in the Plan

In developing its Plan, the State determined it would focus on four main areas:

1. Increasing Affordable Rental Housing(with an emphasis on rental housing for low and extremely low income households, including persons with disabilities) – outcomes will be based on the number of units produced as well as leveraging to provide additional housing resources
2. Promoting homeownership for first time homebuyers (including families with student debt and veterans) – outcomes will be measured by units as well as new homebuyers in designated Sustainable Communities
3. Community Revitalization (with an emphasis on small business expansion and lending) – outcomes will include economic impact on neighborhoods assisted, number of new small businesses assisted/created
4. Reducing homelessness, with a particular emphasis on supportive housing for vulnerable populations, including the chronically homeless, youth, and veterans – outcomes will include reduced homelessness counts.

3. Evaluation of past performance

DHCD was generally very successful in carrying out the goals identified in its last Plan. The State's goals in that plan were to provide affordable housing, promote homeownership, and revitalize communities. DHCD actually exceeded its goals for both rental assistance and providing housing under the "Special Needs" programs. We also exceeded our goal for producing units of affordable rental housing. The Department also exceeded its homeownership goals due to continued improvement of the homeownership market. In terms of community revitalization efforts; DHCD was also successful in this area. In terms of community revitalization efforts; DHCD was also successful in this area in achieving its goals. Additionally, the Department's Division of Neighborhood Revitalization received funding for two new programs. One, the Maryland Business Recovery Storefront Improvement Program was created to businesses affected by the civil unrest in Baltimore in April of 2015. The Operating Assistance Grant Program was created to provide funding for economic and community development activities throughout the State.

4. Summary of Citizen Participation Process and consultation process

DHCD carried out its citizen participation process through a combination of different efforts. This included holding numerous public hearings on the Plan, placing newspaper advertisements regarding the development of the Plan (both before and after it was written in draft form), mass mailings on the Plan to potentially interested parties, email notifications regarding the plan, among other avenues.

The first set of public hearings was held before the draft Plan was developed. These were on Tuesday, February 23, 2016 in Lanham at 7:00 p.m.; Wednesday, February 24, 2016 at the Denton Public Library at 1:30 p.m., Thursday February 25, 2016 at the Fairview Library in Owings at 10:30 a.m. and Friday, February 27, 2015 at 1:30 p.m. at the Allegany County Office Complex in Cumberland. The second set of public hearings were held on Friday April 15, 2016 at the Allegany County Office Complex at 1:30 p.m., Tuesday April 19, 2016 at 7:00 p.m. in Lanham, Wednesday, April 20, 2016 at the Denton Public Library at 1:30 p.m.; Thursday April 21, 2016 at the Fairview Library in Owings at 10:30 a.m.,. All of these locations are handicapped accessible, and translation services were offered for those who requested it, either through interpretive services for the hearing impaired and/or for persons who speak English as a second language.

Notices of these hearings and the development of the Plan in pre-development and draft form were placed in numerous newspapers throughout the State, including the Baltimore Sun, Annapolis Capital Gazette, Hagerstown Daily Mail, Dorchester Star-Democrat, and Baltimore Afro-American. A mass email notification of the development plan was sent out to all persons who subscribe to DHCD's news email updates. In addition, DHCD did mass mailings to over 800 individuals and organizations who were potential stakeholders or where interested in the Plan, including nonprofit and for-profit developers, municipal and county executives, public housing authorities, community action agencies, faith-based organizations, homeless services providers, advocacy organization, AIDS/HIV organizations, and local housing and community development contacts, among others.

After the draft Plan was completed, the State published the Plan for 30 days public comment starting on April 1, 2016, with written and email comments accepted through May 1, 2016. Notice of availability of the draft Plan was placed in all the newspapers noted above, as well as through another mass mailing and email notification on the availability of the draft Plan to the organizations and individuals listed above. The draft Plan was also posted on DHCD's website, and the public was made aware in the advertisements and mailings that they could receive a free copy of the draft Plan by contacting DHCD if they did not want to access it through the web. Finally, copies of the draft Plan were also made available to the State's regional lending libraries, including the Enoch Pratt Free Library in Baltimore, the Blackwell Library in Salisbury, the Washington County Free Library in Hagerstown, the Lewis J. Ort Library in Frostburg, the Frederick Douglas Library in Princess Anne, and the Southern Maryland Regional Library in Charlotte Hall, as well as a large print version at the Maryland Library for the Blind and Physically Handicapped.

5. Summary of public comments

To be completed after the comment period has closed.

6. Summary of comments or views not accepted and the reasons for not accepting them

To be completed after the comment period has closed.

7. Summary

To be completed after the comment period has closed if needed.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MARYLAND	DHCD
HOPWA Administrator		DHMH
HOME Administrator	MARYLAND	DHCD
ESG Administrator	MARYLAND	DHCD

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

JáNai C. Keith, MPA
Housing Policy Analyst
MD Department of Housing and Community Development
Office of the Secretary
7800 Harkins Road
Lanham, Maryland 20706
ja'nai.keith@maryland.gov
[301-429-7445](tel:301-429-7445) (office)

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

DHCD has a long history of working with DHMH and the Maryland Department of Disabilities (MDoD), as well as other Cabinet Departments to carry out housing and community development efforts. Specifically in relation to health, mental health, and service agencies, DHCD worked with DHMH and MDoD in developing the Con Plan to the extent that many of the sections in the Plan were actually written by a contractor working for both MDoD and DHCD in order to accurately cover all of the areas these agencies work together. To illustrate, DHCD, DHMH, and MDoD actually have been recipients of several rounds of Section 811 funding from HUD as these agencies work together on providing assistance to persons with disabilities. These agencies also work together on many other efforts (discussed more fully elsewhere in the Plan) including operating programs such as the Homeownership for Individuals with Disabilities, Bridge Subsidy, Group Home, and Special Housing Opportunities Program (SHOP) programs, and DHCD, working with DHMH and MDoD, as well as private developers, has worked to insure that projects financed with Federal Low-Income Housing Tax Credits (LIHTC) assist individuals with disabilities as well by providing bonus points under the State's Qualified Allocation Plan (QAP).

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

DHCD worked with the Maryland Department of Human Resources (DHR) – the State's lead agency in working with homelessness - as well as the local Continuums of Care in addressing the needs of homeless persons, including the chronically homeless, homeless individuals with families, families with children, veterans, and unaccompanied youth, as well as persons at risk of homelessness. In addition to the "formal" channels of communication through the Governor's Advisory Board on Homelessness, DHR, DHCD, DHMH, and other agencies, as well as the local Continuums, basically meet or talk monthly to talk about issues related to homelessness. This has resulted in joint efforts such as pursuing (and receiving) VASH Vouchers to help homeless veterans, joint funding and data collection through the State's HMIS system, and working with other State agencies.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

DHCD and the State's Continuum(s) of Care engage on monthly conversations regarding how the homeless will be served through the ESG and other programs the State operates. These consist of both face to face meetings and conference calls. During these discussions DHCD works with the CoCs to determine the allocation of ESG funding.

2. Agencies, groups, organizations and others who participated in the process and consultations

Maryland Department of Health and Mental Hygiene, Maryland Department of Human Resources, Maryland Department of Disabilities, Maryland Department of Environment, Maryland Department of Commerce, Maryland Department on Ageing, all of the State's Continuums of Care, Municipalities and Counties.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

None

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?

Table 3 - Other local / regional / federal planning efforts

Narrative

Not Applicable

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Department placed ads in newspapers throughout the State, soliciting comment on the Plan both before it was developed and after a draft was released for public comment, including ads in the Baltimore Sun, Baltimore Afro-American, Capital-Gazette (Annapolis), Daily Mail (Hagerstown), and Star Democrat (Easton). In addition, for the CDBG-R disaster funding, ads were placed in papers in local papers in Wicomico County as well as those listed above. DHCD also sent out letters to more than 800 individuals, organizations, and local governments on its mailing lists letting them know about the plan and seeking their input in the Plan's development. In addition, to these efforts, DHCD also met with the Department of Human Resources (DHR) and the local Continuums of Care on homeless needs and issues and the operation of the Emergency Solutions Grant programs, and worked with the Departments of Health and Mental Hygiene (DHMH) and Maryland Department of Disabilities (MDoD) regarding issues for persons with Special Needs. DHCD also worked with DHMH in developing the strategies related to the Housing Opportunities for Persons With AIDS (HOPWA) program, and utilized information from agencies such as the Maryland Department of the Environment regarding Lead Paint issues, and the Maryland Departments of Planning, Transportation, Business and Economic Development, and others relating to various aspects of the Plan. Copies of the draft Plan were made available to regional libraries throughout the State, including the Enoch Platt Free Library in Baltimore, The Blackwell Library in Salisbury, the Washington County Free Library in Hagerstown, the Lewis J. Ort Library in Frostburg, the Frederick Double Library in Princess Anne, and the Southern Maryland Regional Library in Charlotte Hall. In addition, a large print version of the draft Plan was provided to the Library for the Blind and Physically handicapped. The draft Plan was also posted on DHCD's website, and the newspaper ads and letters sent out after the draft Plan was submitted also noted that free copies of the Plan could also be obtained directly from DHCD. Last but not least, a total of 8 public hearings were held on the Plan, four before the Plan was developed, and four after the Plan was issued in draft form. The four pre-development hearings were held Tuesday, February 23, 2016 at 7:00 p.m. at DHCD headquarters in Lanham, Wednesday, February 24, 2016 at 1:30 p.m. at the Caroline County Central Library in Denton, Thursday February 25, 2016 at the Fairview Library on Owings and Friday, February 26, 2016 at the Allegany County Office Complex in Cumberland at 1:30. The second set of hearings were held on Wednesday, April 20th in Denton at 1:30 p.m., Thursday, April 21st in Owings at 10:30 a.m., Friday, April 15th in Cumberland at 1:30 p.m., and Tuesday, April 19th in Lanham at 7 p.m.. All of the sites were handicapped accessible, and translation services were made available for persons who requested such assistance. The input received from the hearings and surveys helped set the priorities for areas such as addressing barriers to affordable housing, determining community development needs, and determining other priorities in the Plan, such as the emphasis on providing affordable rental housing, and addressing Veteran's and youth homelessness among other issues.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)

Table 4 – Citizen Participation Outreach

This section will be completed in the final version of the plan.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	7,205,995	780,000	0	7,985,995	28,000,000	For year 2, the State will receive \$780,000 of Program Income that will be awarded.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	4,104,822	1,500,000	500,000	6,104,822	6,800,000	<p>Prior Year Resources is Program Income anticipated from 3/1/16 – 6/30/16. Other Program Income is anticipated amount from 7/1/16 – 6/30/17</p> <p>Remaining 3 years @ \$ 4.1 mil plus \$ 1.5 mil in program income</p> <p>\$ 16.8 mil for the remainder of con plan</p>

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Supportive housing and stabilization programs for persons living with HIV/AIDS experiencing homelessness or housing instability. Includes <u>Tenant Based Rental Assistance</u> (TBRA) - rental subsidy to enhance housing stability and support retention in HIV care, <u>Permanent Housing Placement</u> (financial support for security deposits and utility connections; <u>Short Term Rental Mortgage Assistance</u> (STRMU) needs-based payments; and, <u>Supportive Housing Case Management Services</u> to assist participants to maintain housing stability.	\$1,719,217	0	\$509,043	\$2,228,260	\$7,906,074	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	1,056,568	0	1,053,270	2,109,838	4,226,2720	The Emergency Solutions Grant program funds are made available in order to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. The funding supports coordinated community-based activities that are designed to reduce the overall length of homelessness in the community, the number of households that become homeless, and the overall rate of formerly homeless households returning to homelessness.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Continuum of Care	public - federal	Overnight shelter Permanent housing placement Rental Assistance Services Short term or transitional housing facilities STRMU Supportive services Transitional housing	5,000,000	0	0	5,000,000	25,000,000	The State's Continuums of Care, as well as State agencies such as DHMH, receive funding competitively from HUD to provide homeless assistance. Numbers are estimated due to the competitive nature of these programs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
LIHTC	public - federal	Acquisition, New Construction and Rehabilitation of Multifamily Rental Housing	14,000,000	0	0	14,000,000	70,000,000	The Federal Low Income Housing Tax Credit Program finances the new construction or the acquisition and rehabilitation of existing housing to provide affordable rental housing to low-income families and individuals. The amount of funding the State receives is based on its population. Funding is awarded to developers on a competitive and non-competitive basis.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Section 811	public - federal	Project Based Rental Assistance for Persons with Disabilities	21,000,000	0	0	21,000,000	0	DHCD has received two competitive grants from HUD under the Section 811 program, \$11.2 million in 2012 and \$9.8 million in 2014. This funding is used to provide project based rental assistance for persons with disabilities. As the funding noted above will actually be spent out over the next 12 years. It is unclear whether HUD will provide competitive 811 funding in future years, if so, the State expects to apply for it. The Template is left blank for future years because we are unsure if HUD will continue to hold competitions for this funding.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other CDBG DR	public - federal	Admin and Planning Housing Reconstruction and Economic Development	2,500,000	0	0	2,000,000	1,000,000	Grant funds will be used for disaster recovery activities under CDBG Disaster grant awarded February 2013. The remaining amount of funds identified here are for housing and economic development activities in Somerset County. Activities already underway under Action Plan approved by HUD on July 25, 2013 and subsequent amendments.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other CDBG-DR	public - federal	Admin and Planning Public Improvements Other	4,000,000	0	0	0	8,500,000	Grant funds will be used for disaster recovery activities under CDBG disaster grant awarded in November 2013. Activities already underway for projects approved through an Action Plan approved by HUD on May 23, 2014 and subsequent amendments.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The federal funds DHCD receives through the Con Plan are actually only a small part of the resources the Department has available to provide housing and community development efforts. As noted in the above table, DHCD allocates Federal LIHTC for the State of Maryland. These funds are awarded jointly and competitively with HOME funds through a uniform application process that also includes significant funding from the State. In addition, DHCD receives substantial funding from the State for Community Revitalization efforts as well. All told, DHCD typically receives about \$100 million per year in State funding to carry out housing and community development efforts. In addition to these funds, DHCD is also the State's Housing Finance Agency, allocating bond funds for both rental housing and homeownership efforts. This often exceeds \$300 million per year, or about \$1.5 billion over the life of the Con Plan. The State is also a Public Housing Authority, operating the Section 8 Housing Choice Voucher Program, as well as serving as a Section 8 Contract Administrator for HUD. In the former capacity, DHCD operates "regular", mainstream, VASH, NEDS, and other Voucher programs to assist persons with disabilities, youth, homeless veterans, and others obtain

affordable housing.

Matching funds required for programs such as HOME and ESG come from the State. The HOME matching requirement is met through the Rental Allowance Program, which provides short term rental assistance to persons who are at risk of homelessness or homeless. ESG funding is matched with a dollar for dollar grant from the General Assembly for our ESG allocation. The State will match the two-percent administrative allowance with State general funds. The one percent Technical Assistance funds will be used to provide technical assistance to grantees and potential CDBG recipients.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not Applicable

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	CDBG Disaster Recovery #1	2015	2019	Non-Housing Community Development Housing Rehabilitation	Somerset County	Housing Economic Development		Homeowner Housing Rehabilitated: 15 Household Housing Unit Businesses assisted: 5 Businesses Assisted
2	CDBG Disaster Recovery #2	2015	2019	Non-Housing Community Development	Allegany County, Charles County, Dorchester County, Garrett County, Somerset County	Infrastructure Housing Facilities		Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35782 Persons Assisted Homeless Person Overnight Shelter: 35 Persons Assisted Buildings Demolished: 6 Buildings

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	CDBG Disaster Recovery #1
	Goal Description	Comply with all requirements with all regulations and activities identified within the Action Plan and Amendments.
2	Goal Name	CDBG Disaster Recovery #2
	Goal Description	Comply with all requirements with all regulations and activities identified within the Action Plan and Amendments.

Table 7 – Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction

Funding Allocation Priorities

Program	Goals		
CDBG			
HOME			
HOPWA			
ESG			

Table 8 – Funding Allocation Priorities

Reason for Allocation Priorities

Please see method of distribution. All funds have been awarded under each of the Disaster Grants.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

Please see method of distribution. All funds have been awarded under each of the Disaster Grants.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

This Section of the Plan discusses the Method of Distribution which the State will use for the CDBG, HOME, ESG, and HOPWA programs

Distribution Methods

Table 9 - Distribution Methods by State Program

CDBG METHOD OF DISTRIBUTION

State Fiscal Year 2017/Federal Fiscal Year 2016 Allocation

The State CDBG Program has been designed to be flexible to accommodate a variety of community needs. The State chooses to primarily use funds as gap funding for projects selected by jurisdictions to meet their specific needs. The funds are awarded through two categories: 1) Community Development; and 2) Special Projects. DHCD awards funds for projects from the Community Development category through an annual competition. Funds are awarded for projects from the Special Projects category on a first come, first serve basis.

DHCD must award and announce all funds within 15 months from the date HUD signs the grant agreement.

For SFY 2017 (FFY 2016), the State of Maryland has been awarded \$7,205,995. The allocation is divided into the following categories:

STATE OF MARYLAND CDBG ALLOCATION – SFY 2017	
State Administration (2% + \$100,000)	\$244,120
Technical Assistance (1%)	\$72,060
Community Development (67% - \$100,000)	\$4,728,017
Special Projects (30%)	\$2,161,798
TOTAL	\$7,205,995

The State will match the two-percent administrative allowance with State general funds. The one percent Technical Assistance funds will be used to pay for State administrative costs to provide technical assistance to grantees and potential CDBG recipients. The State may also use three percent of program income returned during the program year for administration. In the annual PER, the State will calculate the amount used and determine the State's required match.

During the program year, the State anticipates awarding an additional \$780,000 of funds to be received as program income. Program income received by the State will be distributed in an expeditious manner. The State will receive approximately \$175,000 of program income through loan payments made to the State related to economic development projects. The State is working with two counties and one city that have inactive revolving loan funds that were capitalized with CDBG funds. The plan is to allow those counties and the city to re-use the available funding of \$605,000 for eligible CDBG projects. Funds will be returned to the State and re-issued under a grant agreement.

Additionally, the State may receive program income from loans made from a federal CDBG Disaster Grant that was awarded after Hurricane Isabelle and from activities completed under the Neighborhood Stabilization Program. If received, the Disaster Grant program income can be used by DHCD upon the accumulation of a significant amount for any CDBG eligible activity. The Neighborhood Stabilization Program income can be used by DHCD for any CDBG eligible activity that also complies with Neighborhood Stabilization Program requirements.

The State will also award funds received through repayment of funds due to monitoring findings or through recapture of unexpended grant funds. There is no amount to be identified as funds are received or recaptured on a case by case basis.

Eligibility - To be eligible for CDBG funding, each application submitted for funding must meet the following eligibility requirements:

- The applicant is an eligible non-entitlement jurisdiction which is a municipal government with a population under 50,000 or a county government with a population of less than 200,000 (this count excludes HUD entitlement jurisdictions within the county);
- The proposed activities are eligible under Title I of the Housing and Community Development Act of 1974, as amended;
- The proposed project meets a CDBG National Objective as required under 24 CFR Part 570;
- The proposed (if any) subrecipient, developer or business is eligible;
- The project is located in a State designated Priority Funding Area, except for single family housing rehabilitation or where the Secretary of DHCD determines that the project is necessary to protect public health, to alleviate personal economic hardship in an emergency situation, to promote economically integrated housing, is consistent with an overall economic development strategy, or where an exception has been granted through the Maryland Department of Planning exception process.

State of Maryland CDBG program objectives include:

- revitalizing older neighborhoods and established communities;
- leveraging CDBG funds with other public assistance programs and private resources;
- directing growth to existing population centers;
- providing essential public services to low and moderate income persons;
- encouraging collaboration with Maryland State, federal and local programs focused on community development, economic development and planning efforts;
- supporting initiatives that preserve affordable homeownership;
- supporting capital investments that support the homeless; and
- supporting initiatives and activities that benefit those serving or have served in the U.S. armed forces.

CDBG National Objective - Title I of the Housing and Community Development Act of 1974 requires that any activity funded with Community Development Block Grant funds must meet one of the three national objectives: 1) benefit to persons of low and moderate income (LMI); 2) prevention or elimination of slum and blight; or 3) meet an urgent need that is an immediate threat to community health, safety or welfare.

Benefit to LMI Persons Thru Area Benefit Activities – For projects that benefit an entire town/city or a specific service area that has an LMI population that is 51% or greater. Examples include: construction of new water or sewer service, installation of sidewalks, and construction of flood and drainage improvements.

Benefit to LMI Persons Thru Limited Clientele Activities – For projects that benefit LMI persons that are “presumed” to be LMI or are qualified based on data about family size and income. Examples include: construction of senior centers, Head Start centers, ADA improvements to public buildings or streets, and construction of homeless shelters.

Benefit to LMI Persons Thru Housing Activities – For projects that benefit an LMI household that is qualified based on data about household size and income. Examples include: construction of new rental housing, renovation and resale of housing units, single family housing rehabilitation, and household connections to new water or sewer services.

Benefit to LMI Persons Thru Job Creation Activities – For projects that result in the creation of new jobs and at least 51% of the created jobs are taken by LMI persons. Use of this objective requires evidence that permanent jobs would be lost with CDBG assistance. Examples include: construction of infrastructure to support a new business, extension of rail service to an industrial park, and building improvements.

Benefit to LMI Persons Thru Job Retention Activities – For projects that result in the retention of jobs and at least 51% of the retained jobs are held by LMI persons. Examples include: construction or extension of utilities, building improvements, and construction or improvements of public infrastructure.

Prevention or Elimination of Slum and Blight On A Spot Basis

Prevention or Elimination of Slum and Blight On An Area Basis

Meeting an Urgent Need – For projects that pose a serious and immediate threat to the health and welfare of a community, are of recent origin, and the other sources are not available.

[Applicants seeking funds for projects that would meet the national objective of meeting an urgent need should contact CDBG program staff to determine if their project qualifies. If it is determined that it qualifies, the application would be considered under the Special Projects category. Supplemental pages would be provided for the applicant to complete regarding urgent need projects.]

Eligible Activities - Activities assisted under the State CDBG program must be eligible per Section 105(a) of Title I of the Housing and Community Development Act of 1974 (“HCD Act of 1974”), 42 U.S.C. § 5305(a), as amended. Detailed information as to eligible activities will be provided by CDBG staff or may be found in the HUD Guide to National Objectives and Eligible Activities.

Application Process – Applications are submitted under the Community Development Category through an annual competition. Under the Special Projects Category, applications are submitted on a first come, first serve basis after receiving permission to apply. Specifics for each category are described later in this section.

A municipal or county government may submit an application on behalf of a subrecipient, housing developer or business *if they choose to do so*. It is recommended, but not required, that municipalities and counties develop written policies which outline their processes to determine if they would submit a CDBG application on behalf of another entity.

Eligible subrecipients include:

- governmental agencies such as housing authorities or, in the case of a County, it could be a municipality;
- non-profit organizations that are corporations, associations, agencies or faith-based organizations with non-profit status under the IRS Section 501(c)(3); and
- community based development organizations (CBDOs)

Eligible housing developers are those that are not-for-profit organizations and, in some instances, for-profit entities working with non-profit partners. Applicants should refer to the HUD Guide to National Objectives and Eligible Activities or consult with CDBG staff for additional information related to activities that benefit for-profit developers.

Eligible businesses are for-profit corporations that are in good standing. They can also be non-profit organizations but the national objective may not necessarily be for the creation or retention of jobs.

If funded, the grantee will be required to execute either a Subrecipient Agreement, a Developer Agreement or a Jobs Agreement with the specific entity which binds them to the requirements and policies of the CDBG program and the grantee.

The following requirements and policies apply to submission of a CDBG application regardless of funding category.

1. Citizen Participation Requirements – Governments must comply with citizen participation requirements when seeking CDBG funding and implementing CDBG funded projects. The State requires a jurisdiction to adopt and maintain a written *Citizen Participation Plan* which outlines and describes their efforts in soliciting citizen input and responding to concerns and questions.

A jurisdiction's *Citizen Participation Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application.

2. Public Hearing - A jurisdiction is to conduct at least one public hearing prior to submission of an application for a CDBG project.

Hearings must take place in conjunction with a regularly scheduled meeting of the elected public officials of the municipality or county that is submitting the application(s). At the hearing, the jurisdiction should discuss local community development, economic development and housing needs. While the hearing allows for a jurisdiction to seek input on proposed activities, it should allow for input from the community as to other needs that could be considered.

The hearing notice must be published in a local newspaper at least five (5) days prior to the date of the hearing. Additionally, the jurisdiction should seek to notify the public with other means such as cable television, posted notices in public places, notices in other local publications, etc. The jurisdiction should encourage participation of potential or actual beneficiaries of a project and make accommodations for the handicapped. A copy of the meeting minutes and the hearing notice must be submitted with the application.

Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.

3. Public Review of Application – The public should have the opportunity to review completed applications before they are submitted to the State. At the public hearing, the applicant must provide the anticipated date the application(s) will be available for review as well as the location where it can be found. This information must be included in the hearing minutes.

4. Local Resolution - The legislative body of the jurisdiction must pass a resolution authorizing submission of the application, the specific project(s) and the specific amount of funds being requested. The resolution must authorize the application in an amount equal to or greater than the amount requested in the application. The resolution must also acknowledge that the signers understand that repayment of grant funds could be required if the application is funded and the project is not completed or does not meet a CDBG national objective.

If submitting more than one application, the Resolution should identify the specific amount of each project. If the amount identified in a resolution is less than what is identified in the application, the CDBG staff will review the application to determine if it should be accepted, as only the amount authorized in the resolution can be considered. In some cases, the dollar difference may be minimal and not impact the undertaking of the application activities. Applications with this issue will be reviewed on a case by case basis. Resolutions passed for previously submitted CDBG applications are not valid and will not be accepted. A copy of the resolution must accompany the application or the application will not be reviewed.

5. Residential Anti-Displacement and Relocation Assistance Plan – The State requires jurisdictions to adopt and maintain a written *Residential Anti-Displacement And Relocation Assistance Plan*. While a jurisdiction should make every effort to minimize the displacement of persons or businesses when using CDBG funds, this plan will describe what the jurisdiction will do in the event that it does occur.

Section 104(k) of the HCD Act of 1974, 42 U.S.C. § 5304(k), requires that reasonable relocation assistance be provided to persons displaced as a result of the use of CDBG assistance to acquire or substantially rehabilitate property. Section 104(d) of the HCD Act of 1974, as amended, 42 U.S.C. § 5304(d), requires one-for-one replacement of all low and moderate income dwelling units housing the same number of occupants as could have been housed in the units demolished or converted to another use as a result of CDBG assistance.

A jurisdiction's *Residential Anti-Displacement and Relocation Assistance Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application. Please note that a specific plan will be required for approved grants with projects which will actually result in displacement.

6. Submission By A County For Project in Municipality - A county may submit an application on behalf of one or more municipalities. In such instances, the municipality may not submit a separate application for the same project. Each municipality must hold a public hearing; however, the applicant assumes overall responsibility for ensuring that the entire project will be carried out in accordance with CDBG requirements. The applicant must enter into a legally binding cooperative agreement with each participant which incorporates these criteria.

7. Program Income - Any gross income that will be derived from the use of CDBG funds is to be returned to the State unless the re-use of those funds has been previously approved by the State. Applicants must submit a *Program Income Re-Use Plan* with their application requesting approval to retain funds at the local level for the same activities. Approved plans will be identified in the grant agreement for approved applications. A new *Program Income Re-Use Plan* must be submitted with each application. Jurisdictions wishing to retain income must be willing to pass a resolution to repay from general funds any costs that HUD or the State may disallow as a result of the retention and re-use of program income. See Additional Program Policies and Procedures section of this manual for additional information.

8. Debarment - The applicant is required to complete Debarment Checks on subrecipients, developers or businesses prior to submission of an application. The completed forms do not need to be included with the application unless there is a problem.

9. Audit – Applicants who have never submitted an application to the CDBG Program must provide a copy of their most recent annual audit and a copy of their most recent single audit, if one was required, with their application.

10. Clearinghouse Submission - Applicants must comply with the Maryland Intergovernmental Review and Coordination Process (COMAR 14.24.04). Simultaneous with the submission of any application for CDBG funding, applicants must submit an electronic copy of a project profile to the Maryland State Clearinghouse. The profile must include a cover form; a summary briefly explaining the nature, purpose, scope and justification for the project; a map of the project location and geographic area to be served; a budget identifying all sources and uses of funds; and staffing for the project. Please note that the submission to the Clearinghouse must be submitted by the government applicant, not the subrecipient, developer or business. Comments from this review will be forwarded to the CDBG program. Information must be submitted to mdp.clearinghouse@maryland.gov

State Policies for Applications – The following policies impact activities to be considered by applicants. They include:

1. Housing Rehabilitation Restriction and Requirement – The CDBG Program will only accept applications for housing rehabilitation programs from county governments. The exceptions to this restriction are active municipal programs with open or recent CDBG housing rehabilitation grants and in instances where a municipality is the applicant but the activities are administered by the county government. Applications submitted for housing rehabilitation activities must include a line item for emergency repairs.

2. Homeownership Requirements – When using CDBG funds in conjunction with any homeownership activities: 1) no subprime mortgages are allowed for persons acquiring the houses; 2) no adjustable rate mortgages are allowed for persons acquiring the houses; 3) mortgages must be for a fixed rate for a minimum of 30 years; and 4) a minimum of 8 hours of housing counseling from a HUD approved housing counseling agency is required for persons acquiring the houses.

3. Rental Housing Requirements – When using CDBG funds for the development of rental housing, the use of CDBG funding is restricted to: 1) the acquisition of land in compliance with 49 CFR Part 24 and must be acquired after the CDBG funds are awarded; 2) construction activities that are competitively procured after the CDBG funds are awarded using the jurisdiction's procurement policy; or 3) procurement of construction materials using the jurisdiction's procurement policy.

If it is the intention of the applicant to use all or any portion of CDBG funding as a loan to the subrecipient/developer, the terms and requirements must be submitted with an application for funding and approved by the CDBG Program Office. As a reminder, any loan funds received by a grantee are considered Program Income and subject to State policies and federal requirements.

Per 24 CFR Part 570.483(b)(3), the rents charged for rental properties assisted with CDBG funding must be affordable. When funded, a grantee must adopt and make public its standards for determining “affordable rents.” (A sample Affordable Rent Standard is attached as Exhibit H)

For projects assisted with other state and/or federal affordable housing funding, the contract rents for those units may not exceed the Fair Market Rents established annually for the County by HUD or the rent standards published by the state or federal funding agencies. The rents for these units must remain affordable for the defined term required by the other funding source or the term set forth below, whichever is greater.

For projects that do not include other state and/or federal affordable housing funding, the contract rents for those units may not exceed the Fair Market Rents established annually for the County by HUD. The rents for these units must remain affordable for the defined term set forth below.

The CDBG grantee shall enforce this requirement with a lien between themselves and the developer of the property. The terms shall be no less than:

FUNDING AMOUNT	LENGTH OF TERM
Up to \$400,000 in CDBG funds	10 years after occupancy date
Between \$400,001 and \$600,000 in CDBG funds	15 years after occupancy date
Above \$600,001 in CDBG funds	20 years after occupancy date

Rents may be increased on an annual basis at the time of lease renewal consistent with changes in the rent standard for the project, but in no case will the project owner be required to reduce rents. Rents must be checked annually by the grantee.

4. Water and Sewer Projects – To meet the national objective for projects involving the construction or extension of water and sewer service, it is mandatory that all households and businesses in the service area are connected to the system. The national objective will not be met until all persons, households or businesses are receiving the intended benefit.

The physical connections of households to water and sewer systems is an eligible activity for qualifying low and moderate income households under the national objective of benefit to LMI persons through housing activities. As such, the total household income must be considered and verified. Liens are required to protect the benefit.

5. Preliminary Engineering – If an applicant receives funding for preliminary engineering for infrastructure projects and they intend to apply to the U.S. Department of Agriculture (USDA) for construction funding, they must comply with USDA’s PER requirements.

6. Procurement Restrictions – If it is the intention of a grantee to use CDBG funds to pay for engineers or other service providers that are on retainer, the grantee must demonstrate how the firm was selected through a competitive process. To ensure open competition, the original procurement is only good for a four year time period. If it has been longer than four years, the grantee must do a new procurement for

engineering, architectural or other professional services if those activities are to be paid for with CDBG funds.

Additionally, if a grantee uses an engineering, architectural or other professional service provider to write the CDBG application, that firm cannot bid on the CDBG project if it is approved.

Community Development Category

Applications for community development projects are accepted annually on a competitive basis in the spring. The funding round is announced in advance of program opening, and applicants are given a minimum of 45 days to prepare their applications after the application workshop is held. Any funds not awarded in the competition will be added to the Special Projects category. Applications are due on June 3, 2016. For the SFY 17 competitive application round, the maximum amount an applicant may seek is \$800,000.

Applicants must submit one original and four copies when applying for Community Development funds. Applications are to be mailed or hand-delivered. Applications are submitted to: DHCD, 7800 Harkins Road, Lanham, MD 20706, Attention: CDBG Program.

Applications are evaluated in a three-step process: threshold review, project evaluation, and funding recommendations. At the completion of the threshold review applicants will be notified by mail if their application will be reviewed. Applications are rejected if the application is not complete, the application is not received by the established due date, the proposed project and/or activities do not meet the eligibility requirements, or the applicant does not meet established performance thresholds.

Performance Thresholds - There are performance thresholds related to previous CDBG grants that must be met by applicants. Applicants will be evaluated on their management of existing CDBG grants and must be in compliance with financial, reporting and monitoring requirements as established each year.

1. Financial - Expenditure of certain minimum percentages of previous grants must be met by 5:00 p.m. on Friday, May 27th. This will apply to all open Maryland CDBG grants. The required expenditure amount is based on the grant start date and shown below.

Grant Agreement Start Date	Minimum % Required to be Expended
Prior to June 29, 2014	100%
June 30, 2014 to December 31, 2014	75%
January 1, 2015 – June 30, 2015	50%
July 1, 2015 to Present	25%

Waiver requests will only be considered for extenuating circumstances if a grantee has only one open grant that does not meet the financial threshold requirement.

2. Reporting – Applicants must be current with submission of any reports due to the program in relation to existing grants.

3. Monitoring – Grantees that have grants with open monitoring issues will be reviewed on a case-by-case basis, taking into consideration the significance of the finding(s) or concern(s), the corrective action(s) taken by the grantee or subrecipient to resolve the issue(s) and the timeliness of the grantee in responding. No waiver requests may be submitted if a grantee has more than one grant that does not meet threshold.

Additionally, grantees that have revolving loan funds (RLFs) and program income accounts that were capitalized with CDBG funds will be required to submit information regarding the current fund balance and the most recent activity. This applies to economic development RLFs as well as housing rehabilitation RLFs and program income accounts. Grantees may be required to submit additional information to explain large loan balances and lack of activity. In these instances, the State may take additional actions related to ensuring the grantee utilizes these funds.

Project Evaluation - All applications that meet the threshold criteria will be rated and ranked competitively by a review committee composed of Maryland CDBG Program staff and other departmental staff with participation from other government agencies when appropriate. Applicants will be given an opportunity to answer the committee's questions via phone or e-mail.

Rating is based on a 150-point scale. Point ranges have been established for each criterion to gauge the extent to which the applicant meets the criterion. The following factors will be considered in determining the points assigned. A copy of the rating form may be obtained from the CDBG program staff.

RANKING FACTOR	MAXIMUM POINTS
PUBLIC PURPOSE <ul style="list-style-type: none">- Consistency (10)- Severity of Need (30)- Community Support (5)	45 Points
PROJECT IMPACT <ul style="list-style-type: none">- Impact on Need (10)- Benefit to LMI Households (15)	25 Points
PROJECT MANAGEMENT <ul style="list-style-type: none">- Readiness To Proceed (35)- Accuracy of Costs (10)- Capacity (10)	55 Points
LOCAL COMMITMENT / LEVERAGING <ul style="list-style-type: none">- Local Commitment (10)- Debt Service (5)- Leveraging (10)	25 Points
BONUS POINTS	12 Points

Applicants may receive up to 12 bonus points for meeting one or more of the following criteria:

1. Project will use innovative materials or methods (2 Points);
2. Project activities include the acquisition and reuse of foreclosed properties (2 Points);
3. Project activities include the replacement of utilities in existing buildings with energy saving materials (2 Points);
4. Project will use green building standards and practices for new construction or renovation (2 Points);
5. Project activities will eliminate impediments to fair housing in the community (2 Points); or
6. Project activities will provide benefit to those serving or have served in the U.S. armed forces (2 Points).

Rating Factor - Public Purpose/Local Need (45 maximum points)

Severity of Need (30 maximum points). Based on the information in the application, the degree of distress and examples provided will determine the number of points awarded. Distress factors considered include the quality and quantity of existing facilities, including the need for rehabilitation or replacement, condition description, age, adequacy or absence of facilities, services, housing etc. Up to twenty (20) points are awarded based on the documented need for new or additional services, new or improved facilities, new or improved infrastructure, or new or improved housing. Up to ten (10) points are awarded where existing physical health and safety conditions are documented. *Please note that documentation in support of the need is the key to receipt of maximum points.*

Community Support and Involvement (5 maximum points). Points are awarded based on evidence of current community support and involvement in the project development and implementation. Letters of general support and participation may include local interest of neighborhood groups, local public or non-profit agencies and individuals that might directly benefit from the project.

Consistency with Local Needs/Plans/Strategies (10 maximum points). Points are awarded based on the degree to which the project is specifically identified and is consistent with a locally developed revitalization strategy, capital improvements plan or comprehensive plan (up to 5 points). Relevant sections must be provided with the applications. Up to five (5) points may be awarded for proposed projects and activities that re-use existing buildings and infrastructure.

Rating Factor - Project Impact (25 maximum points)

Impact on Need (10 maximum points). Points are awarded based on the extent to which the project will address the needs and alleviate the existing problems described by the applicant.

Benefit to Low and Moderate Income (LMI) Households (15 maximum points). Maximum points will be awarded to projects where there is a direct benefit to LMI households/persons. 10 points will be awarded to projects where there is an area wide benefit to LMI persons. No points will be given for

slum/blight projects where there is no benefit to LMI persons, or where benefit cannot be determined. If there is more than one national objective, maximum points will be given for the activity that benefits more people.

Rating Factor - Project Management (55 maximum points)

Readiness to Proceed (35 maximum points). Points may be awarded for the extent to which the project is ready to proceed and the implementation schedule is reasonable. The assessment is based on the relative progress of elements such as site control/easements, architectural design or preliminary or final engineering, commitment of other project financing or the development of rehabilitation guidelines. If the applicant is not able to document that other funds are committed, they will not receive any points under this section because the project is not ready to proceed. This category considers the project as a whole.

An applicant may receive thirty-five (35) points based on the following factors:

1. Construction Projects: Applicant has completed design and/or engineering, has completed acquisition or will complete if applicable within 90 days (does not include easement acquisition), can bid project within 90 days, and are able to start construction within 120 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 30% of properties to be rehabilitated, and can bid work in 60 days.
3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 30 days.

An applicant may receive twenty (20) points based on the following factors:

1. Construction Projects: Applicant has completed design and/or engineering, has completed acquisition or will complete if applicable within 120 days (does not include easement acquisition, can bid project within 120 days, and are able to start construction within 150 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 15% of properties to be rehabilitated, and can bid work in 90 days.
3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 60 days.

An applicant may receive ten (10) points based on the following factors:

1. Construction Projects: Applicant will complete design and/or engineering within 90 days of the award, will complete acquisition if applicable, within 120 days, and will bid project within 120 days.
2. Housing Rehabilitation Projects: Applicant has developed or updated all program materials, selected and completed work write-ups for 5% of properties to be rehabilitated, and can bid work in 120 days.
3. Services/Non-Construction Projects: Applicant can demonstrate that program and/or activities can be implemented within 75 days.

No points are awarded if the project is not ready to proceed based on the above criteria or if other funds are not committed.

Accuracy of Costs (10 maximum points). Maximum points may be awarded to projects which best document that project costs have been carefully estimated. Estimates should reflect the applicability and impact of Davis-Bacon wage rates, acquisition requirements, relocation or replacement housing requirements. Estimates should be current within six months. Preliminary professional studies, appraisals, tax assessments, wage rate determinations are some examples of acceptable documentation. No points will be awarded if documentation of costs is not submitted.

Administrative Capacity (10 maximum points). Points may be awarded for projects based on the past performance of the applicant, subrecipient or developer with CDBG grants (5 points maximum). Staff will consider previous general grant management, financial management and compliance with meeting a national objective. The adequacy of staff to implement the project based on information in Part G of the application will also be considered (5 points maximum).

Rating Factor - Local Commitment and Leveraging (25 points maximum)

Local Commitment (10 maximum points). The Department will consider the extent to which local funds will be contributed to the project. Maximum points (10) may be awarded to applicants whose local contribution exceeds 25% of the total project costs. Local contribution of 15%-24% of total project costs receives 8 points. Where there is some local contribution but less than 15% of the total project costs, 5 points are awarded. No points will be given where there is no local contribution. All funds must be documented.

Local funds include cash, debt service and any in-kind contributions which materially contribute to the project completion. In-kind contributions must be documented and may include the donation or long term lease of land or buildings, appropriation of local revenues, site improvements or installed infrastructure, deferral of real estate taxes, abatement or payment in lieu of taxes. The contribution may be provided by the local government or directly by subrecipient or developer.

Debt Service (5 points). Applications will receive 5 points if the funding sources include loans (including federal and state loans) borrowed specifically for the project that have been secured by the local government, subrecipient or developer. Applicants shall provide executed copies of loan documents as evidence. This does not apply to forgivable loans or those that are deferred for an extended period of time.

Leveraging (10 maximum points). The Department will consider the extent to which local and CDBG funds are used to leverage other public and private funds (non-local). Points will be awarded based on the documented commitment of funds specifically identified to supplement CDBG funds. Maximum points (10) will be awarded for projects where 50% or more of the project costs are from sources other than local or CDBG. If less than 50% of the project costs are from sources other than CDBG and the locality, five (5) points are awarded. The application will receive no points for leveraging if other funding sources are available but are not sought. Leveraged funds include other public or private grant funds and individual or corporate donations.

Funding Recommendations - The highest rated applications are recommended for funding until the available funding for the round are exhausted or the next highest rated project requests more funds than are available and the project cannot be phased. In that case, the next highest scoring project may be funded. In case of a tie score, the application with the highest combined score on Public Purpose/Local Need and Project Management is funded first. The Maryland CDBG program has established a minimum point standard of 105 (70%). Applications that receive less than 70% of the total points are not recommended for funding. Committee recommendations (both for approval and rejection) are reviewed by the Assistant Secretary for Neighborhood Revitalization and forwarded to the Secretary of DHCD for final approval. In addition to the rating criteria, the Rating Committee, the Assistant Secretary for Neighborhood Revitalization or the Secretary of DHCD may consider other factors in making funding determinations, including:

- The State's CD objectives and priorities
- The availability of alternate or contributing funding sources for the total project or some of its components
- A reasonable distribution of projects among regions of the State
- The ability to respond to a locality's special needs, and

- The degree of community commitment for the project.

Awards are expected to be announced within approximately 90 days of the application submission deadline.

Special Projects Category

Under the Special Projects Category, funds are set aside to fund special projects, planning activities and economic development projects. There are specific criteria and requirements required for each type of project. All applications will be considered on a first-come, first-served basis once received and determined to be complete. Funds will not be “held” or “reserved” for applicants in the process of submitting an application or submitting materials to complete their application.

Grantees that have revolving loan funds (RLFs) and program income accounts that were capitalized with CDBG funds will be required to submit information regarding the current fund balance and the most recent activity. This applies to economic development RLFs as well as housing rehabilitation RLFs and program income accounts. Grantees may be required to submit additional information to explain large loan balances and lack of activity. In these instances, the State may take additional actions related to ensuring the grantee utilizes these funds.

Applicants must submit one original and two copies when applying for Special Projects funds. Applications are to be mailed or hand-delivered. Applications are submitted to: DHCD, 7800 Harkins Road, Lanham, MD 20706, Attention: CDBG Program.

Special Projects - Special Projects applications are those submitted after the annual competitive round has been completed. They are for projects that have become a high priority based on an opportunity or due to an emergency need. Applicants must consult with CDBG Program staff and receive written approval to submit an application. Staff will consider whether the proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State’s program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be rated using the same rating factors used for the Community Development category. The minimum point standard of 105 points applies to Special Projects applications. The maximum amount an applicant may seek is \$800,000.

The State may also use funds from this category to fund requests for additional funding for existing grants. Grantees may not apply for additional funds for a previously funded project unless there are extenuating circumstances surrounding the shortfall. If the amount needed is higher than \$75,000, grantees must apply for funding through the next community development application round unless it is determined that timing is critical. Grantees must provide a written explanation of the reasons for the shortfall, including:

1. the reasons for the request for additional funds;
2. verifiable documentation of a significant increase in beneficiaries;
3. proof that all alternate funding sources have been exhausted; and
4. documentation of any negative impact on the community if the project is not completed.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DCHD for final approval.

Planning - Planning activities are eligible for CDBG funding. Applicants may seek up to \$50,000 for planning grants. A match is required but no more than 5% can be in-kind. Applicants must consult with CDBG Program staff and receive written approval to submit an application. Staff will consider whether the proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State's program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be rated using the same rating factors used for the Community Development category. The minimum point standard of 105 points applies to Planning applications.

Planning activities are traditional planning activities such as comprehensive plans, community development plans, downtown studies, and capital improvements plans. Additional planning activities include feasibility studies, preliminary engineering, preliminary design, and building condition studies. Projects are qualified based on national objective eligibility.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DCHD for final approval.

Economic Development - Funding may be used for a variety of economic development activities which support local economic development initiatives either by direct public improvements to facilitate new business and/or industry or through direct assistance to businesses. Applicants must consult with CDBG Program Staff and receive written approval to submit an application. Staff will consider whether the

proposed project would meet a CDBG national objective, be eligible under the program, be able to be implemented in a timely manner, and if it meets one of the State's program objectives. Additionally, performance related to existing grants, if any, will be considered by staff in addition to CDBG eligibility requirements when making approvals.

A threshold review will be conducted to determine if the application is complete, the requested project will meet a CDBG national objective, and specific activities are eligible. Applications will be reviewed and rated using factors described later in this section. The maximum amount an applicant may seek is \$800,000.

Applications for speculative projects where no business(s) has committed in writing to participate with creation of jobs as required by the CDBG Program are not eligible for funding per State policy.

The State will accept funding for the following economic development projects:

1. Job Creation – If the applicant is seeking funds to assist a business in a project that results in job creation, 51% of all jobs created must be taken by LMI persons. All jobs must be permanent, full-time jobs. The job counting begins once the grant activities are completed. Additionally, the State may impose a retention period for the jobs once created.

The business must provide a written commitment to meet the CDBG job creation standard of creating a specific number of jobs of which 51% or more of them will be taken by persons of low and moderate income. This must be provided with the application. Other application submission materials are described within the application document.

2. Job Retention - If the applicant is seeking funds to assist a business with job retention, there must be clear and objective evidence that permanent, full-time jobs will be lost without the CDBG assistance. Applications must include:

- evidence that the business has issued a notice to affected employees or made a public announcement to that effect; or
- analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

The business must provide a written commitment to meet the CDBG job retention standard of retaining 51% or more of an agreed upon number of employees that are of low and moderate income at the time of the CDBG assistance. This must be provided with the application. Other application submission materials are described within the application document.

Additional information on the business to be assisted includes:

1. Name of Business
2. Ownership of Business

3. Business Management

4. Company History including start-up date, type of operation, progress and number of employees to date

5. Current Location(s)

6. Product Line or Service

7. Discuss their market area(s) including geography, major customers and other characteristics

8. Certificate of Good Standing from the State of Maryland if an existing business.

For projects which provide CDBG assistance as a financing measure to profit making businesses, discuss the need for financial assistance. Attach three years of historical financial statements and personal financial statement for principal owner(s) and a five year pro-forma. Explain the basis for requesting assistance (e.g., gap financing). Additional financial information may be requested.

Applications will be reviewed and considered based on the following:

1. Costs – All costs must be reasonable and necessary.
2. Leverage – All applications must include the leveraging of other funds. Those applications providing 50% or more of other funds will be provided maximum consideration. In-kind services cannot exceed 10% of the total budget.
3. Readiness to Proceed – Applications which are able to be bid within 90 days and to start construction within 120 days will be given maximum consideration.
4. Administrative Capacity - The staffing plan must be sufficient to administer the grant activities.
5. Past Performance - The past performance of the applicant with CDBG grants will be considered with respect to general grant management, financial management and compliance with meeting a national objective.
6. Outcomes – Maximum consideration will be given to those projects that create or retain the highest number of jobs.
7. Cost Per Job – The cost per job must not exceed \$20,000. Maximum consideration will be given to those applications where the cost per job does not exceed \$10,000.

Projects may be subject to Public Benefit Standards and Underwriting Guidelines. It depends on the structure of the application.

There is a prohibition on the use of CDBG funds for job-pirating activities. Specifically, funds cannot be used to as an incentive for a business to relocate to another community.

The following types of businesses are not eligible for assistance with CDBG funds: adult bookstores, video shops or other adult entertainment facilities, check cashing facilities, gambling facilities, gun shops, liquor stores, massage parlors, pawn shops, tanning salons, or tattoo parlors. Additionally, assistance to a professional sports team or a privately-owned recreational facility that serves a predominantly higher-income clientele where the recreation benefit to be derived by users or members clearly outweighs the employment of or other benefits to low and moderate income persons is also prohibited.

Within thirty days of the threshold review approval, a recommendation is made to the Assistant Secretary for Neighborhood Revitalization and to the Secretary of DCHD for final approval.

DRAFT

Program Policies and Procedures

The CDBG Program Policies and Procedures Manual is updated each year to reflect program updates and changes. It also highlights federal regulations and state policies that govern the administration of a CDBG grant. The CDBG program conducts a grant implementation workshop each year to provide training and education on requirements. Information is provided directly to grantees and/or posted on the DHCD website.

For all CDBG funded projects, grantees must comply with the requirements found in the HCD Act of 1974, the CDBG program regulations found in 24 CFR 570, other federal regulations, and state policies and procedures. Grantees will be provided with information related to all applicable regulations and policies and provided appropriate technical assistance to ensure that compliance is achieved. The Program conducts at least one grant management training each year. Information is provided through the CDBG Guidebook, the CDBG Monitoring Handbook and through various manuals. A Project Manager is assigned to assist grantees with the implementation and management of their grants.

Additional policies include the following:

1. Funds Transfer - A review of the Special Projects category balance will occur prior to the announcement of the annual Community Development competitive round. CDBG Program staff will consider all applications received but not funded or those expected to be received prior to end of the fiscal year. All or a portion of the balance could be transferred for use in the next competitive funding round.
2. Grant Periods - Grants are awarded for a twenty-four (24) month period, except planning grants, which are expected to be completed in twelve (12) months. *The grant period is related to the expenditure of the grant funds only.* No formal amendment is required for the additional time necessary for a grantee to satisfy a national objective or to satisfy corrective actions related to monitoring findings or matters of concern. Time extensions are granted only where circumstances are beyond the grantee's control.
3. Grant Amendments - Circumstances or conditions may develop during the course of a project's implementation which could prompt the grantee to request, in writing, an amendment to the grant for reasons other than for additional funding (which is addressed under Special Projects). Accordingly, grantees must obtain approval for amendments in the following instances:
 - if the addition of a new, or deletion of an existing activity or project is proposed;
 - if activities in an area other than the approved target or project area are proposed;
 - if the scope of the existing project or activities will change (i.e., number of beneficiaries);
 - if a budget revision is proposed resulting in a transfer between approved budget line items in excess of ten percent of the grant award;
 - in other instances where DHCD determines an amendment to be appropriate, such as where

technical changes in legal or administrative terms occur.

The request for a grant amendment shall provide sufficient information to explain and justify the proposed changes. The CDBG Program may determine that an amendment to a grant agreement requires additional actions. The grantees will be notified in writing if they have to complete any of the following requirements:

- additional citizen participation efforts;
- additional review by the State Clearinghouse; or
- additional environmental review.

The request for a grant amendment will be reviewed on the basis of eligibility and the evaluation criteria applicable at the time of the amendment request.

A time extension may be granted, generally for one year, when it is determined by the program that as a result of unforeseen circumstances, the grantee will expend grant funds by the completion date established in the grant agreement. The time extension is processed by the program and is not subject to the requirements of project amendments listed above. The program reserves the right to determine the length of time for the amendment.

4. Financial Penalty - ERR – The Environmental Review and Request for Release of Funds must be submitted for approval by DHCD within 75 days of the grant award date. Failure to do so will result in a 2% financial penalty of the grant award. The penalty will be assessed initially from administrative funds awarded. If no administrative funds were awarded, then project funds will be recaptured. The exception shall be for projects with issues identified through screening letters where the CDBG Environmental Officer has been notified in writing. Further delay in completing the Environmental Review and obtaining a Release of Funds could result in the termination of the grant.

5. Financial Penalty – Minimum Expenditure - For each grant, the grantee must request payment of a minimum of 5% of grant funds within 180 days of the grant award date. Failure to do so will result in a 2% penalty of the grant award each month until funds are drawn. The penalty will be assessed initially from administrative funds awarded. If no administrative funds were awarded, then project funds will be recaptured. Exceptions to this policy will be considered on a case by case basis.

6. Recapture and Repayment of Funds - Any funds recaptured through grant cancellation, repayment due to monitoring findings, or completion of an activity at a cost savings will be available for redistribution to eligible projects. DHCD may retain eligible amounts of repaid or recaptured funds for State administrative and technical assistance costs.

7. Program Income - Program Income is defined as gross income received by the grantee, subrecipient, developer or business directly generated from the use of CDBG funds. It includes, but is not limited to, the following:

- proceeds from the disposition by sale or long term lease of real property purchased or improved with CDBG funds;
- proceeds from the disposition of equipment purchased with CDBG funds;
- gross income from the use or rental of real or personal property acquired by the recipient or a sub-recipient with CDBG funds, less the costs incidental to the generation of the income;
- gross income from the use or rental of real property owned by the recipient or a subrecipient that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- payments of principal and interest on loans made using CDBG funds;
- proceeds from the sale of loans made with CDBG funds;
- proceeds from the sale of obligations secured by loans made with CDBG funds;
- interest earned on funds held in a revolving loan fund account;
- interest earned on program income pending disposition of the income;
- funds collected through special assessments made against properties owned and occupied by households not of LMI, where the assessments are used to recover all or part of the CDBG portion of a public improvement.

All funds must be returned to the State unless the grantee has an approved *Program Income Re-Use Plan*. The State may use three percent of any program income returned to the State or received and retained at the local level during the program year for administration.

A *Program Income Re-Use Plan*, which includes a description of the proposed method to manage the funds and the capacity of the grantee to comply with State and federal regulations, must be submitted as part of the application and approved by DHCD, depending on the category. The decision to permit retention of program income by the grantee will be made on a case-by-case basis.

If a plan is approved, program income may be retained by the grantee provided the grantee pledges its general funds to reimburse the State for any financial liability related to negative findings by the State and/or HUD with regard to the re-use of income and if:

- the program income is targeted for an eligible CDBG activity that meets a national objective and for which DHCD has given approval; or
- the program income is targeted for use for the "same activity." "Same activity" is defined as one with the same purpose and same location as the activity generating the program income; and
- completion of the proposed activity will meet time constraints established by DHCD.

Upon the written instructions of DHCD, a grantee and any subrecipient shall permit an authorized agent of DHCD to collect, distribute, or in any other manner deal with program income in accordance with such written instructions.

Program income received by the State will be distributed in an expeditious manner. Any program income that is distributed by the State during the period beginning with the date HUD awards the annual grant to the State and ending with the following year's grant award date is considered to be covered by the current Consolidated Plan.

Additionally, the State is receiving program income from loans made from a federal CDBG Disaster Grant that was awarded after Hurricane Isabelle and from activities completed under the Neighborhood Stabilization Program. The Disaster Grant program income can be used by DHCD upon the accumulation of a significant amount for any CDBG eligible activity. The Neighborhood Stabilization Program income can be used by DHCD for any CDBG eligible activity that also complies with Neighborhood Stabilization Program requirements. The State may use three percent of any program income returned during the program year for administration.

8. Suspension of Method of Distribution for Presidential Disaster Declarations - In the event of a Major Disaster Declaration by the President of the United States for a city, town, or unit of local government located in the State of Maryland, the Secretary of DHCD shall have the authority to waive the Method of Distribution or any other State policies for the CDBG program to address emergency needs of impacted communities. This will be done in consultation with HUD and the program will operate within the parameter of the law or laws addressing the CDBG program.

Performance Measures

During the program year, based on the types of activities funded in SFY 16/FFY 15, the CDBG Program expects to fund projects to meet the following HUD performance measures. The table below shows how projected activities that will be undertaken through the CDBG program in the coming year will act in accordance with HUD's performance measures:

CDBG FFY 2016 Consolidated Plan			
Estimated Project Results			
Outcomes and Objectives *	Performance Indicators	Estimated Project #s	Activity Description
SL-1	New or improved access to public facilities	3	Construction or renovation of centers serving various populations
SL-1	New or improved access to infrastructure	5	New or improvements to sidewalks, bridges or streets

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CDBG FFY 2016 Consolidated Plan			
Estimated Project Results			
Outcomes and Objectives *	Performance Indicators	Estimated Project #s	Activity Description
SL-3	New or improved access to infrastructure	12	New or improvements to public water and sewer systems
SL-3	Creating suitable living environment	2	Demolition of blighted property
DH-2	Providing decent housing	5	Housing rehabilitation programs for LMI households
DH-2	Providing affordable housing	3	Renovation of rental housing for LMI households
DH-2	Providing affordable housing	2	Renovation of facilities housing LMI persons
* Grantee should use one of 9 outcome/objective categories below:			
	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Decent Housing	DH-1	DH-2	DH-3
Economic Opportunity	EO-1	EO-2	EO-3

HOME INVESTMENT PARTNERSHIP PROGRAM

Maryland will use the majority of its HOME funds in conjunction with ongoing State programs to fill gaps in State funding, make projects feasible and increase the number of low-income persons to be served in State-funded projects. HOME funds will be used in conjunction with projects utilizing any combination of State appropriated and bond-issued funds, or low-income housing tax credits administered by the Community Development Administration (CDA). CDA's Single Family Housing Programs consist of the Homeownership Programs and Special Loans Programs units; and the Multifamily Housing Programs consist of the Housing Development Programs, Rental Services Programs and Contract Administration Unit.

HOME FUNDING ALLOCATION

DHCD expects to receive an allocation of \$ 4,104,822 in HOME funding during the coming year, as well as \$1,000,000 in program income, for total funding of \$5,104,822. DHCD expects to use the funds as follows:

STATE OF MARYLAND HOME ALLOCATION - FFY2016/SFY2017			
Use	FFY 16 Allocation	Program Income	TOTAL
Multifamily Housing Programs	\$2,439,099	\$ 700,000	\$ 3,139,099
Single Family Housing Programs	\$1,000,000	\$ 200,000	\$ 1,200,000
CHDO Operating Assistance	\$ 205,241	\$0	\$ 205,241
Administrative Fees^	\$ 410,482	\$ 100,000	\$ 510,482
CHDO Pre-Development	\$ 50,000	0	\$ 50,000
TOTAL	\$ 4,104,822	\$ 1,000,000	\$ \$ 5,104,822
<i>CHDO Set Aside*</i>	<i>\$ 615,723</i>		

*As required by federal law, a minimum of 15 percent of the State's formula HOME allocation, or \$615,723 will be reserved for use by Community Housing Development Organizations (CHDOs). Included within that amount, up to 10 percent, or \$ 61,572 may be used for predevelopment costs for CHDOs. The required set aside(s) will be met within the HOME program

uses as set forth in the above table. [^]The amount shown for administrative fees includes 10% of the FFY2016 regular HOME allocation.

As noted above, In addition to the regular HOME allocation, DHCD expects to receive about \$ 1,000,000 in HOME program income in the coming year. This estimate is based on historical amounts received over the last three federal fiscal years. Though refinances of HOME loans have slowed we anticipate payments from loans currently in the portfolio to help maintain our program income receipts at last year's level HOME program income is required to be spent on a "first come, first served" basis. Due to the significant reduction in HOME Funding DHCD will continue to use the 10% of program income received for administrative costs as allowed under HUD regulations.

The State will administer HOME funds allocated to State programs by directly funding projects which receive State resources. HOME funds may also be used in conjunction with the Community Legacy Program. HOME funds may also be used to refinance existing debt under HUD guidelines.

HOME funds may be requested by sponsors and/or local governments as part of a project application. CDA staff may also propose the use of HOME funds during project underwriting. HOME funds will be awarded to projects either as individual projects or as part of a financing package Projects greater than \$ 100,000 shall be presented to the Housing Finance Review Committee(HFRC)

Funds Transfer

The HOME funds to be used in conjunction with on-going DHCD housing programs will be allocated to these uses for up to eight months. After that time, unencumbered funds may be moved to any other HOME uses to meet additional demand for funds or for special projects, including the Community Legacy Program.

Geographic Areas for Use of State HOME Funds

The State will primarily use its funds in HOME non-participating jurisdictions. However, in some instances HOME funds can be used in participating jurisdictions, typically when funds are not used by non-entitlement areas and are at risk of being lost. There are six local participating jurisdictions within the State which have their own HOME funds. They are Baltimore City, and Anne Arundel, Baltimore, Harford, Howard, Montgomery and Prince George's Counties. State HOME funds for the non-participating jurisdictions are restricted to PFAs except as outlined in the geographic targeting discussion provided earlier in the Plan.

Community Housing Development Organizations (CHDOs)

The State of Maryland will reserve not less than 15 percent of its HOME allocation for use by CHDOs. Within the CHDO set-aside, 10 percent may be used for project specific technical assistance and pre-development costs for nonprofit organizations

The set-aside for use by CHDOs will be administered in the same manner as other HOME funds, that is, they will be awarded as part of the existing program funding except HOME Seed Money and Technical Assistance loans which are funded on a first-come, first-serve basis as described in the next paragraph. It is anticipated that CHDOs will use funding for acquisition, moderate and substantial rehabilitation and construction of housing for low and moderate-income persons. The State does not anticipate any barriers to utilizing the CHDO set aside; however, if funding is being committed more slowly than necessary to use the required amount, extra measures will be taken to promote the use of the set-aside. The measures will include aggressive marketing for applications, expedited processing and ultimately, if need be, reservation of the balance of uncommitted HOME funds solely for projects that meet the required set-aside.

The funds set-aside for project-specific technical assistance and pre-development costs will be administered by CDA. CDA will solicit participation by potential CHDOs and will certify CHDO eligibility by determining that applicants meet the criteria outlined in the HOME program regulations. Certified CHDOs will be eligible for HOME Seed Money and Technical Assistance loans. A CHDO may apply to use HOME funds to pay reasonable and customary pre-construction costs of a project. All costs must be related to a specific project, which, if deemed feasible, would be eligible to receive HOME funds for development. HOME Seed Money and Technical Assistance loans will be provided to CHDOs on a first-come, first-served basis. The loans will be zero percent interest with deferred principal. Repayment will be due at settlement of the construction or permanent loan. CDA has developed loan documents consisting of a Loan Agreement and a Promissory Note, and funds will be released upon execution of loan documents with CDA.

All CHDO funds awarded are predicated upon re-certification at time of award and all HUD requirements being met at that time.

Guidelines for Homeownership Assistance

The State of Maryland may use HOME funds to assist individuals and families purchasing units in approved single family housing projects. HOME funds will reduce the cost of buying affordable housing in conjunction with the State administered first mortgage programs. The HOME programs may or may not require the use of other State administered first mortgage programs. Household with incomes at or below 80% of the area median household income, adjusted for household size and determined annually by HUD will be targeted. The State has elected to recapture the HOME Investment if the property is sold within the affordability period.

Definition of Modest Housing

Homeownership units assisted with HOME funds must be “modest housing”. The State defines housing to be modest if the sales price (when a property is purchased) or the after-rehabilitation value (when a homeowner property is rehabilitated) is within the HOME Homeownership Value Limits established by HUD.

Form of Subsidy

HOME funds may be used in homeownership programs to directly assist the home buyer with down payment and closing costs or to reduce the sales price of the home by providing a mortgage. HOME funds may be provided to developers to reduce the cost of land or development costs, the benefits of which would be passed on to the homebuyer.

METHOD TO ENSURE COMPLIANCE WITH RECAPTURE REQUIREMENTS

Pursuant to Section 92.254(a)(4)(ii) of the regulations, the State has selected the option to recapture the full HOME investment from the net proceeds of the sale of a house which was purchased with the assistance of HOME funds. Recapture may only be made if there are sufficient net proceeds. The net proceeds from the sale of a house will be distributed as follows:

- 1) a) To pay the balance due on any superior loan and to pay any required closing costs;
b) To pay the HOME funds, subject to (2) below;
c) To pay the balance due on any subordinate loan;
d) To repay the homeowner for the amount of any homeowner payments; and
e) To pay the remaining balance to the homeowner.
- 2) If there are insufficient proceeds from the sale of the house to repay the amount of HOME funds and to pay the homeowner for the amount of any homeowner payments, the State may forgive a portion of the loan made with HOME funds, calculated by multiplying the amount of the HOME loan by the fraction equal to the number of years the homeowner owned and occupied the house times the affordability period, where HOME funds per unit equal:
 - (i) under \$15,000, 1/5 per year
 - (ii) \$15,000 - \$40,000, 1/10 per year; and
 - (iii) over \$40,000, 1/15 per year.
- 3) With respect to loans made with HOME funds to assist homebuyers, "Homeowner Payments" means the following:
 - a) The amount of the down payment made by the homeowner on the house;
 - b) The amount of any principal payments or prepayments on any loan on the property; and
 - c) The cost of all capital improvements to the house made by the homeowner.

Additionally, the State will consider more restrictive terms for recapture and forgiveness provided it determines such action is necessary through established underwriting criteria.

HOME funds used to assist homebuyers that are recaptured according to these guidelines will be used to carry out other HOME eligible activities.

Legal Method

Covenants describing the recapture restrictions will be included in the recorded loan documents to ensure that the HOME funds will be recaptured at the time of transfer or refinance of the HOME-assisted unit.

Tenant Based Rental Assistance

The State of Maryland may use HOME funds for tenant based rental assistance on a limited basis, including using HOME funds for security deposit assistance and to help victims of disaster. Rental assistance programs will select households to receive assistance in accordance with written tenant selection policies and criteria. In addition, if families selected are currently residing in units that are designated for rehabilitation or acquisition under the HOME program, they will not be required to meet the written tenant selection policies and criteria. Families so selected may use the tenant-based assistance in the rehabilitated or acquired unit or in other qualified housing.

TYPES OF INVESTMENT BY THE STATE OF MARYLAND IN THE HOME PROGRAM

Maryland expects primarily to invest funds in projects through interest bearing and non-interest bearing loans, and possibly grants when needed. Depending on the circumstances of each project, the State may use other forms of subsidies including equity investments, interest subsidies consistent with the purposes of this program, and deferred payment loans with or without interest.

HOME Matching Fund Requirements

The State will provide HOME match through DHCD's Rental Allowance Program.

Program Income

The State may receive program income from time to time as a result of the prepayment of loans or from debt service payments. Any program income received will be used in accordance with the requirements of 24 CFR Part 92.

Suspension or Method of Distribution for Presidential Disaster Declarations

In the event of a Major Disaster Declaration by the President of the United States for a city, town, or unit of local government located in the State of Maryland, the Secretary of DHCD shall have the authority to waive the Method of Distribution or any other State regulations for the HOME program to address emergency needs of impacted communities. This will be done in consultation with HUD and the program will operate within the parameter of the law or laws addressing the HOME program.

HOME Performance Measures

As part of its desire to implement performance measures, HUD asks grantees to assign measures to activities they expect to undertake. The table below shows how projected HOME activities will correspond with HUD's Performance Measurement system:

HOME INVESTMENTS PARTNERSHIP PROGRAM			
FFY 2016 Planned Project Results (HOME Program)			
Outcomes and Objectives*	Performance Indicators	Expected Number	Activity Description
DH – 2	Number new/rehabilitated units available to low income households	30	Assistance to Rental Housing Development
DH – 2	Number of existing units bought to code	10	Housing rehabilitation assistance to low income households
DH – 2	Number of households receiving down payment/closing cost assistance	15	Assistance to low income homebuyers
*Grantees should use one of 9 outcome/objective categories below			
	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM

Background

The Maryland Department of Health and Mental Hygiene (DHMH), Prevention and Health Promotion Administration (PHPA), Infectious Disease Prevention and Health Services Bureau expect to receive \$1,719,217 in HOPWA formula funding during the coming year beginning July 1, 2016 as well as \$509,043 encumbered HOPWA funding for a total of \$2,228,260. These funds support a comprehensive housing program and supportive services to prevent homelessness and increase housing stability for low-income persons who are living with HIV/AIDS. The State of Maryland's HOPWA program specifically targets more rural areas of the state, as counties that are not recipients of HOPWA funds as part of an eligible metropolitan area. Counties covered in this program include Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, St. Mary's, Talbot, Washington, Wicomico and Worcester. In addition PHPA also receives HOPWA funding for the Frederick County/Montgomery County eligible metropolitan statistical areas on behalf of the City of Frederick Housing Authority.

In order to address the health care needs of persons living with HIV/AIDS, stable and supportive housing is critical. The HOPWA Program provides housing and supportive services that encourage increased adherence to HIV care and treatment. The HOPWA Program is part of Maryland's statewide plan to address the housing needs of low-income people with HIV/AIDS and their families. The HOPWA Program complements the Ryan White Part B programs and State funded HIV Programs that are currently operating in the rural areas of the state. The program combines HOPWA funded Tenant Based Rental Assistance (TBRA), Short Term Rent, Utilities and Mortgage Assistance (STRMU) and Permanent Housing Placement Services (PHP) with medical and support services funded through Ryan White Part B and State funding such as: outpatient medical care, medical case management, treatment adherence, oral health care and emergency financial assistance. As such, HOPWA, Ryan White and State funded case management and support services providers share common and integrated goals that support National HIV/AIDS Strategy objectives: Increase access to permanent, affordable housing resources for individuals and families living with HIV/AIDS to maintain and/or increase housing stability, and to promote the integration of supportive service options for these persons and their families to contribute to better health outcomes, especially viral suppression. This continuum of housing support and stabilization services, along with the core medical and case management services available through Ryan White and State funded programs ensures persons with HIV/AIDS can live as independently as possible, participating in HUD-funded supportive housing programs.

Needs Assessment

Each year, in preparation for identifying regional funding priorities, the Prevention and Health Promotion Administration (PHPA) conducts a needs assessment for HIV services in each of the five regions in the state. Access to safe and affordable housing consistently ranks as the number one, unmet need. Marylanders who are living with HIV often struggle with additional, often chronic, co-morbid conditions like kidney disease, Hepatitis C, persistent and severe mental illnesses, cognitive delay, mobility impairments, and other ailments that make activities of daily living even more challenging. Without stable housing, stress levels increase further compromising already fragile immune systems. Individuals are exposed to chaotic housing shelters or the uncertainty of life on the streets. Essential nutritional needs are easily neglected or forgotten. Complex treatment regimens become more difficult to monitor and are frequently derailed when faced with instable living situations. Appointments with health care and human service providers are more likely to be missed or not scheduled at all.

Beginning in July 2014, Maryland created one statewide integrated planning body for HIV prevention and care services, the “HIV Planning Group,” hereafter referred to as the HPG. The HPG was created so that consumers, key stakeholders and HIV service providers could collaborate to develop a results-oriented process for a seamless approach to assessing HIV services and to inform the development and update of Maryland’s HIV Plan. Maryland’s HIV Plan not only identifies activities and targets to achieve - with goals and take down numbers consonant with the National HIV/AIDS Strategy – but also produces the Statewide Coordinated Statement of Need, the Comprehensive HIV Plan and the jurisdictional HIV prevention plan.

At the individual consumer input level, the Prevention and Health Promotion Administration (PHPA) routinely performs an HIV services Consumer Satisfaction Survey. The most recent survey polled more than 4000 PLWHAs in Maryland, with over 2300 responses. The annual survey is designed to measure the quality of HIV core medical and support services delivery and the identifiable needs of persons living with HIV/AIDS. In addition the HOPWA program piloted a consumer satisfaction survey in 2014 to measure the quality of housing and supportive housing services delivery and the identifiable needs of HOPWA clients. The HOPWA Client Satisfaction Survey will be conducted during the upcoming year.

Housing Availability

Historical data supports a lack of affordable decent housing for low-income individuals and families throughout the state of Maryland. Emergency shelter and transitional beds are at a premium in Maryland, clearly outstripping need. The 2015 Point in Time Count (PIT) measured 8,392 persons living in a place not meant for human habitation (i.e. the street, a park, and bus shelter) or in emergency shelters. About one third of that population lived in rural areas of the state. Among this survey more than 1% of the population reported to be living with HIV. Given the stigma of reporting HIV, this number may be woefully undercounted.

Regardless of HIV status, clients experience long housing wait lists and most public housing lists (“Section 8” Housing Choice Vouchers) remain closed. Landlords with the better housing stock are often hesitant to participate in supportive housing voucher partnerships. It is difficult to find landlords in the rural areas that will accept housing vouchers since the program is not affiliated with Section 8. In some rural areas housing units that meet the federal Fair Market Rates (FMR) are in less desirable neighborhoods with substandard properties. Housing availability in the more rural areas has challenges often particular to that region. For example, in St. Mary’s County, extremely rural by many aspects, the co-location of a military base means a ready and willing market to pay the most for apartments by the officers and trainees routinely assigned there. This “market” basically means availability is eaten up before persons in need can get to those units and prices are inflated compared to local incomes.

Housing Affordability

While one of the “richest” per capita states in the Union, Maryland also has some of the widest divides in wealth and poverty. This has resulted in some of the highest FMR rental costs in the country. In February 2016 the average rent for a one and two bedroom apartment was \$1,092, and \$1,358/month, respectively. Using the commonly accepted 1/3 rule (monthly housing costs should not exceed 1/3 of income), the average annual income a single person must have to pay for even the most rudimentary 1 bedroom apartment would be \$40,000. Considering the annual, fixed, income for a person on Social Security is just under \$9,000 and the gap of affordability is glaring. The most vulnerable of persons are also living in those spaces and communities that have experienced some of the worst effects of the recession. Pernicious and continuing high unemployment and poverty, result in the rental housing market being out of reach for many Marylanders.

Housing affordability is not only about meeting rent expenses, but also the affordability of even *beginning* that process. Application fees, credit checks, outstanding debts, back due utilities bills, moving and storage expenses, and start-up costs for a household (furniture, bedding and linens, dishes, cleaning supplies, food, etc.) all contribute to a significant financial barrier to even start a housing search. This is of course especially true for those living on fixed incomes that we regularly see among those experiencing homelessness and housing instability. Add to this the overrepresented histories of incarceration among those experiencing homelessness, and getting a place to live is a non-starter for most persons in this risk group. They “couch surf”, live from house to house, often with family but overcrowded, and often in the least desirable of conditions or areas.

Housing Sustainability

Each participant in the HOPWA housing program participates in the development of a self-determined housing stability plan. The plans not only comprise the current needs and goals for HOPWA program participants to maintain existing housing, but also what strategies can be employed to help them move to even more stable, independent long-term housing outcomes. These assessments are updated at least yearly and guide the housing case managers to identify tools and resources to assist participants with successful outcomes. Additionally, active participation in medical care and medical case management are critical steps in all housing stability plans to ensure wrap around services and insulation from the

effects of crisis that can often derail stability and provide the additional resources to overcome barriers as they present.

Current Network of Services

PHPA plans to provide the following network of services:

- Tenant Based Rental Assistance
- Short Term Rent, Mortgage and Utilities Assistance
- Permanent Housing Placement Assistance
- Support Service – Housing Case Management

The following HOPWA Project Sponsors provide these services:

- Maryland Department of Housing and Community Development (DHCD)
- City of Frederick Housing Authority
- Montgomery County Department of Health and Human Services (MCHD)
- Dorchester Department of Social Services
- Washington County Department of Social Services
- Charles County Health Department

DHCD, Frederick Housing Authority and MCHD all have considerable experience in providing supportive housing opportunities to persons living in poverty as well also to those living with special needs such as those experiencing severe and persistent mental illness, mobility concerns, cognitive delays, hearing impairments, with histories of drug and alcohol abuse and addictions. DHCD provides administration of TBRA subsidies to the rural program's eligible HOPWA clients. Frederick Housing Authority and MCHD provide TBRA subsidies to eligible HOPWA clients in the Frederick/Montgomery EMSA.

Each of the recipients of HOPWA funding is provided the additional oversight and technical assistance to ensure true integration of networked services between housing and health care. For example, in Montgomery County, the Department of Health and Human Services provides a variety of services via case management interventions as "wraparound services". Charles County's health department oversees the implementation of HOPWA serving the St. Mary's County HIV population and the co-location of their housing coordinator within the health offices means team meetings and care concerns for consumers are readily addressed and barriers to housing *and* care can be tackled as a team. The Dorchester Department of Social Services provides housing coordination and supportive housing case management by linking the medical case managers in the Eastern Shore counties to the HOPWA program there. In the Western region PHPA uses HOPWA funds to support continued partnership between a housing coordinator at the Washington County Department of Social Services who provides the skill and knowledge of housing navigation and the HOPWA program services, to medical case management services supporting those living with HIV in Washington, Garrett and Allegany counties.

Strategic Plan

To address the shortage of affordable housing for persons living with HIV and their particular concerns and needs, the State of Maryland's HOPWA Program prioritizes HOPWA funding to 1) keep persons from experiencing homelessness by utilizing STRMU funds to stabilize precarious housing rental or mortgage issues – providing for utilities,, back rents, and mortgages that threaten eviction and loss of housing; TBRA funds – tenant rental subsidies that support a resident's move from homelessness to housing stability and support services, and PHP dollars – permanent housing program funds that assist consumers to obtain housing by assisting with security deposits, first month rents, credit report and application fees.

In the upcoming year PHPA will provide technical assistance to strengthen the skills, knowledge and resources available to housing case managers so they can increase the likelihood their eligible clients could transition from the HOPWA program to permanent, long-term housing. Additionally, with an expected 45% increase in HOPWA funding to the Frederick/Montgomery EMSA and the use of encumbered funds, we will expand the number of households receiving TBRA by 43; from 115 individuals/families to 158.

The following allocations are proposed with the new formula funding and utilizing encumbered funding to continue services:

State of Maryland HOPWA Allocations – July 1, 2016 through June 30, 2017	
DHMH – PHPA	
3% Administrative Cost	\$12,136
Dorchester Department of Social Services	
Support Services-Housing Case Management	\$58,389
7% Administrative Cost	\$4395
Department of Housing and Community Development	
Tenant Based Term Rental Assistance	\$306,543
7% Administrative Cost	\$23,073
TOTAL MARYLAND RURAL HOPWA	\$404,536

For the "Frederick/Montgomery" HOPWA program, the Housing Authority for the City of Frederick will provide tenant based rental assistance through HOPWA funding. For the Montgomery County service area of this grant, the Montgomery County Department of Health and Human Services will provide tenant based rental assistance, short term mortgage, rent and utilities assistance, permanent housing placement and housing case management support services.

Frederick/Montgomery HOPWA Allocations – July 1, 2016 through June 30, 2017	
DHMH – PPHA	
3% Administrative Cost	\$39,440
Housing Authority for the City of Frederick	
Tenant Based Rental Assistance	\$237,195
7% Administrative Cost	\$17,853
Montgomery County Department of Health and Human Services	
Tenant Based Rental Assistance	\$762,207
Short Term Rent, Mortgage and Utilities Assistance	\$25,000
Permanent Housing Placement Assistance	\$10,000
Support Services-Housing Case Management	\$151,573
7% Administrative Cost	\$71,413
TOTAL FREDERICK/MONTGOMERY	\$1,314,681

DHMH – PPHA HOPWA Program	
Units of Measurement	Estimated Households to be Served July 1, 2016 through June 30, 2017
Number of Households Assisted, TBRA, State of Maryland HOPWA Allocation - Rural Counties	41
Number of Households Assisted, TBRA, Frederick/Montgomery HOPWA Allocation	91
Number of Households Assisted, STRMU, Montgomery HOPWA Allocation	9
Number of Households Assisted, PHP, Montgomery HOPWA Allocation	7

Maryland Department of Health and Mental Hygiene will utilize HOPWA encumbered funds to expand programming.

State of Maryland HOPWA Encumbered Allocations – July 1, 2016 through June 30, 2017	
Washington County Department of Social Services	
Short Term Rent, Mortgage and Utilities Assistance	\$26,900
Permanent Housing Placement Assistance	\$10,000
Support Services-Housing Case Management	\$65,450
7% Administrative Cost	\$7,704
Dorchester Department of Social Services	
Short Term Rent, Mortgage and Utilities Assistance	\$32,672
Support Services-Housing Case Management	\$12,328
7% Administrative Cost	\$3,387
Department of Housing and Community Development	
Tenant Based Rental Assistance	\$149,976
7% Administrative Cost	\$11,288
Charles County Health Department	
Short Term Rent, Mortgage and Utilities Assistance	\$10,000
Permanent Housing Placement Assistance	\$3,000
Support Services-Housing Case Management	\$50,240
7% Administrative Cost	\$ 4,760
City of Frederick Housing Authority	
Tenant Based Rental Assistance	\$19,194
Short Term Rent, Mortgage and Utilities Assistance	\$20,000
Permanent Housing Placement Assistance	\$3,200
Support Services-Housing Case Management	\$70,450
7% Administrative Cost	\$8,494
TOTAL ALLOCATIONS FROM ENCUMBERED	\$509,043

DHMH – PHPA HOPWA Program – Encumbered Funds	
Units of Measurement	Estimated Households to be Served July 1, 2016 through June 30, 2017
Number of Households Assisted, TBRA, State of Maryland HOPWA Encumbered - Rural Counties	24
Number of Households Assisted, STRMU, State of Maryland HOPWA Encumbered - Rural Counties	80
Number of Households Assisted, PHP, State of Maryland HOPWA Encumbered- Rural Counties	19
Number of Households Assisted, TBRA, Frederick HOPWA Encumbered	2
Number of Households Assisted, STRMU, Frederick HOPWA Encumbered	28
Number of Households Assisted, PHP, Frederick HOPWA Encumbered	4

Priorities and Objectives

Note: Objectives apply to people living with HIV/AIDS; however, HOPWA funds improve the standard of living for the families and dependents of HOPWA consumers as well.

Priority: To assist low income Maryland residents living with HIV/AIDS to achieve housing stability by providing supportive housing, and increasing and improving housing assistance in eleven underserved rural counties including Frederick and Montgomery counties.

Other Special Needs

In the rural areas, HOPWA clients are able to access support services and medical services through county health departments. Each county provides case management and emergency financial assistance. All eligible clients are able to access specialty HIV ambulatory outpatient care through regional seropositive clinics and the Montgomery County Department of Health and Human Services. Other services available through the health department vary according to client needs and priorities. Services included are: oral health care, transportation, non-medical case management, treatment adherence, mental health services, psychosocial support, and health education risk reduction.

Clients are also offered partner counseling and referral services (PCRS). This service is provided to clients at the time of their HIV positive notification. Currently, Maryland is standardizing the integration of PCRS into case management and clinical care throughout the course of disease.

The State of Maryland HOPWA program is supported by a total of \$16,772,943 in State funding to provide HIV core medical and support services. To be eligible to receive HIV services provided with State funding, a client must present proof of Maryland residency, clinical confirmation of HIV infection and documentation that income does not exceed 400% of the federal poverty level.

Individuals with HIV/AIDS, if eligible, have access to the Maryland AIDS Drug Assistance Program (MADAP) and the Maryland AIDS Insurance Assistance Program (MADAP Plus). Eligibility criteria include: Maryland residence, income less than 500% of the federal poverty level (FPL) not Medicaid eligible, clinical confirmation of HIV infection, and the need for HIV anti retro-viral medications. MADAP Plus provides assistance in paying an individual's RX/Health Insurance premiums if additional eligibility criteria are met.

Method of Distribution

TBRA subsidies will be administered and distributed by DHCD, MCHD and the City of Frederick. STRMU and PHP assistance payments will be distributed by Washington County Department of Social Services (western region counties), Dorchester County Department of Social Services (eastern region counties), Charles County Health Department (St. Mary's County), MCHD (Montgomery County) and the City of Frederick Housing Authority (Frederick County). In the event that additional HOPWA funds become available to assist new clients, funding will be allocated based on assessment of need for supports, family size and eligibility for other programs. These providers were chosen based on their experience in administering HOPWA funding and their ability to coordinate services with other HIV care providers in their community.

Consumer/Community Input

Consumers and providers, including health care professionals, nonprofit organizations, faith-based organizations and others, have many opportunities to provide input into how HOPWA funds are expended, through both regional and local venues, such as the HPG meetings and town hall meetings. These groups consist of consumers and providers that meet quarterly to discuss changes in the regional HIV care and services priorities. Membership is open to the public and funds are available for transportation and childcare to increase consumers' participation. Project Sponsors receiving HOPWA funds are required to attend these meetings each quarter. HOPWA recipients are also invited to attend as service consumers. The majority of HOPWA consumers also receive Ryan White and State funded HIV services. All Ryan White and State funded agencies, including local health departments, conduct annual client satisfaction surveys to obtain consumers' feedback on the services they have received at that site.

EMERGENCY SOLUTIONS GRANT

The Emergency Solutions Grants (ESG) Program provides funds to prevent homelessness, to assist in the costs of street outreach activities, to assist in the costs of operating emergency shelters and transitional housing, to rapidly rehouse the literally homeless with financial support, and to provide certain essential, direct client services to at-risk homeless individuals. Such assistance is designed to assure that homeless persons and those at-risk of homelessness have access not only to decent, safe and sanitary shelter, but also to the supportive services needed to improve their situations.

Consultation with the Continuums of Care- 24 C.F.R. §576.400 (a)

For SFY 2016 (FFY 2015), Maryland's allocation for the 19 non-entitlement counties, 1 nonprofit and four municipalities of the State is \$1,053,270 under the ESG program. Previously, DHCD staff met with representatives of the 11 non-entitlement CoCs that receive funding from the State, and based on conversations with them, the State determined ESG funding would be focused on rapid re-housing, homeless prevention, homeless services, and HMIS. DHCD has requested each CoC to review sub recipient requests for funding and make a determination that the request aligns with local plans and the goals of the CoC to address homelessness in their jurisdiction. In addition, in connection with the current funding round, each CoC has been requested by DHCD to provide evidence of the development of written standards related to policies and procedures for program eligibility, and program operation. Also, in conjunction with the development of the State HMIS data warehouse, the CoCs have been engaged to develop procedures for the administration and operation of HMIS. The current funding round includes HMIS support as an eligible cost. DHCD will therefore use ESG funding as follows:

STATE OF MARYLAND ESG ALLOCATION – FFY 2015	
State Administration (6.5%)	\$68,463.50
Local Administration up to (1%)	\$10,533.00
All Other – Homeless Services, Homeless Prevention, Street Outreach, Rapid Rehousing, and HMIS Activities (92.5%)	\$974,275.50
TOTAL	\$1,053,270

ESG Match Requirements

ESG funds must be matched dollar for dollar. Match may be provided from Federal, state, local, or private sources, unless the funds are ESG funds from other fiscal years. Match may be in the form of cash as well as in-kind contributions. Cash contributions may come from private sector sources, including donations from individuals, groups, corporations or other private entities, and/or local government. In-kind contributions may include: the value of any donated material or building, the value of the lease on a building, any salary paid to staff of the applicant or nonprofit organization in

carryout out the shelter or homelessness program, and the time and service contributed by volunteers to carry out the shelter or homelessness program.

The Federal match requirement is met through a state appropriation in the amount of \$1.8 million. In addition, the State requests that applicants indicate matching and leveraged funds. Applicants in the FFY 2015 funding round were able to leverage the ESG federal funds in the amount of \$10,754,241. The State acknowledges its responsibility to ensure that ESG match contributions are made to the level required by the federal program regulations.

Selection Criteria

To make ESG Program funds available to units of general local government, DHCD conducted an annual competitive round of funding in which eligible local governments were invited to submit applications. Applicants receiving the highest cumulative points were recommended for funding until all ESG Program funds were exhausted. Funds are allocated so that the awards are distributed among eligible applicants taking into consideration the level of need in the service area and the capacity of the grant recipient, and sub-recipient if applicable, to conduct the program effectively and administer the grant efficiently. Consideration was given to the desirability of funding a variety of projects and serving as many geographic areas of the State as possible. Each unit of general local government was allowed to submit only one application for up to \$65,000 in federal funds and up to \$80,000 in state funds. The application could request funding for one or more projects that is passed through local government applicants to sub grantees consisting of nonprofits and community-based and faith-based organizations that are selected by local governments on the basis of their ability to implement viable projects and programs that effectively address one or all of the objectives of the Emergency Solutions Grant. The Emergency Shelter component is limited to 60% of the Federal ESG funding. In addition, some of the HMIS activities could be funded under a non-competitive process.

All applications were reviewed, rated and recommended for funding based on the level of poverty and or homelessness in the jurisdiction(s) being served, as determined by United States Census data, and the following factors. Figures in parentheses indicate the maximum number of points that were awarded to any given factor. Applicants receiving the highest cumulative points were recommended for funding until all ESG Program funds were exhausted.

1. Statement of Homeless Problems This Project Addresses (35)
 - (a) Projected number and income level of homeless and at risk individuals to be assisted;
 - (b) A description of the need or problem, noting local factors and trends which impact on the level of homelessness, and the extent to which documentation is offered in support of the need or problem; and
 - (c) The appropriateness of the applicant's proposed project/activity to address the need or problem.

2. Proposed Project Design (45)

- (a) The feasibility of the project/activity in terms of financing, location and site control and neighborhood/community acceptance;
- (b) The extent to which it is documented that the costs have been carefully estimated and are reasonable;
- (c) The extent to which the amount of matching funds is provided and verified;
- (d) The likelihood of project/activity completion in a timely manner, and
- (e) The extent to which an agency participates in the local Continuum of Care (CoC) and meets the goals and objectives of the CoC.

3. Past Experience/Organizational Capacity (10)

- (a) The extent to which the applicant has the organizational capacity and staff expertise to undertake and administer the project/activity described in the application;
- (b) The extent to which the applicant has been involved in homeless services, homeless prevention, street outreach, and rapid rehousing in the past and the track record indicates these activities have been accomplished in an efficient and effective manner;
- (c) The extent to which the applicant is committed on a long term basis to serving the shelter needs of the homeless; and
- (d) The extent to which the applicant will involve homeless clients in the planning, developing, constructing, renovating, maintaining and operating of homeless facilities and programs.
- (e) The extent to which the applicant has the experience and organizational capacity to maintain and operate the Homeless Management Information System.

4. Supportive Services (25)

The extent to which beneficiaries are given assistance under a continuum of care, facilitating their progress to self-sufficiency, this methodology includes providing assistance in obtaining appropriate supportive services including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living.

Scoring for ESG applications in the next round of funding, SFY 2017 / FFY 2016, will base funding decisions on two different areas – an agency score for each sub-recipient, based on their track record as a service provider; and a program score, based on the activities proposed under one of the ESG component areas (Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, HMIS).

For the agency score, criteria will include history of providing services to homeless populations; the use of performance outcomes in evaluating and improving programs; the level of participation in the local Continuum of Care; and a track record in using HMIS (or a comparable database, as applicable).

Program scores will vary based on component, but will include metrics for the number of people served; the level of demonstrated need; reductions in the number of homeless persons and returns to homelessness; reductions in the length of time persons remain homeless; a demonstrated track record of moving people into permanent housing; and the ability to connect clients with supportive services, including mainstream benefits and services.

Final funding recommendations will be based on a determination of eligibility for applicants; the combined agency and program score; geographic distribution of programs; and the level of need in each jurisdiction, based on Census data and Point-in-Time surveys.

Program Standards Policy

Coordination with Other Targeted Homeless Services - 24 C.F.R. §576.400 (b)

In 2014, the State of Maryland passed legislation reestablishing the Inter Agency Council on Homelessness in law. Partners in this effort include the Maryland Department of Human Resources, The Maryland Department of Housing and Community Development, the Maryland Department of Health and Mental Hygiene, the Maryland Department of Labor, Licensing and Regulations, and representatives from the nonprofit sector. At the outset the intention of this body will be to coordinate and leverage the various funding streams from programs under each agency's purview to ensure efficiency in the delivery of services and coordinate efforts to maximize resources. Various programs, including ETHS, HPP, HCP, Homeless Women's Crisis Shelters, Service Linked Housing, Shelter Plus Care, Supportive Housing PATH, RAP and ESG will be assessed for opportunities to focus on particular populations, i.e. veterans and unaccompanied homeless youth.

System and Program Coordination with Mainstream resources - 24 C.F.R. §576.400 (c)

The Continuums of Care must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Refer to 24 C.F.R. 576.400 (b) for a list of mainstream resources to coordinate ESG activities.

Written Standards for Providing ESG assistance - 24 C.F.R. §576.400 (e)

The Continuums of Care must establish and consistently apply, within the COC jurisdiction of the recipient's program, written standards for providing ESG assistance. If an applicant is awarded funds, the selected Sub recipient must provide to the Department a copy of the written standards for providing ESG assistance prior to contract execution. Refer to 24 C.F.R. §576.400(d) for a discussion of the written standards. The standards must include at a minimum:

- Standard policies and procedures for evaluating individuals' and families' eligibility for ESG assistance;
- Standards for targeting for homeless persons and providing essential services related to street outreach;
- Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers listed on 24 C.F.R. §576.400(b) and (c);
- Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and rapid re-housing assistance;
- Standards for determining what percentage or amount of rent and utilities costs each program participant must pay, when applicable, while receiving homelessness prevention or rapid re-housing assistance;
- Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to be provided to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant may receive assistance; or the maximum number of times the program participant may receive assistance.

Participation in HMIS 24 C.F.R. §576.400(f)

Sub recipients are required to ensure that data on persons served and activities provided under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. Sub recipients are required to enter into an agreement with the local HMIS Administrator for reporting.

If the Sub recipient is a victim service provider or a legal services provider, it may use a comparable database that collects client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into HMIS or provided to an HMIS administrator.

The comparable database must comply with all current HMIS standards including data information, security, data quality, and processing standards, as established by HUD in its latest HMIS Data Standards guide. Victim Service Providers or Legal Services Providers that are awarded ESG funds must consult with the Continuum of Care and the HMIS administrator for the continuum of care area to ensure that the comparable database uses all the HMIS standards.

Evaluation of Program Participant Eligibility and Needs - 24 C.F.R. §576.401

Sub recipients must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability into permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under 24 C.F.R. 576.400(d) and the written standards established under 24 C.F.R. 576.400(e) and all the guidelines outlined on 24 C.F.R. 576.401(a).

Sub recipients must reevaluate the program participant's eligibility and the types and amounts of assistance the program participant needs according to the requirements outlined on 24C.F.R.576.401(a).Furthermore, each program participant receiving homelessness prevention or rapid rehousing assistance is required to meet regularly with a case manager (except where prohibited by Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)) and the assistance provider must develop an individualized plan to help that program participant retain permanent housing after the ESG assistance ends. These requirements are intended to help ensure that the ESG-Funded emergency, short-term or medium-term assistance will be effective in helping program participants regain long-term housing stability and avoid relapses into homelessness

Suspension of Method of Distribution for Presidential Disaster Declarations

In the event of a Major Disaster Declaration by the President of the United States for a unit of local government located in the State, the Secretary of DHCD shall have the authority to waive the Method of Distribution or any other State requirements governing the ESG program to address emergency needs of affected communities. This will be done in consultation with HUD and the program will operate within the parameter of the law or laws addressing the ESG program.

AP-35 Projects – (Optional)

Introduction:

States distribute their allocation of CDBG, ESG, HOME and HOPWA funds through a Method of Distribution. Funds for the first three programs are awarded competitively, so there are no projects to enter at this time. HOPWA funds are awarded on a first come, first serve basis to eligible households. The two “projects” listed below are related to disaster assistance funding DHCD received to use for recovery efforts related to Superstorm Sandy as well as other natural disasters that impacted Maryland

#	Project Name

Table 10

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG-DR #1 - In compliance with federal regulations, the funds awarded to the State under this grant will be used for housing and economic development activities related to remaining needs due to Hurricane Sandy in Somerset County. The details of the approved Action Plan and subsequent Action Plan Amendments may be found at www.mdhousing.org under *CDBG Disaster Recovery Assistance*.

CDBG-DR #2 - In compliance with federal regulations, the funds awarded to the State under this grant will be used primarily for infrastructure activities related to remaining needs due to Hurricane Sandy, Hurricane Irene, Tropical Storm Lee and the Derecho. Through a competitive process, funds were awarded to Allegany County, Charles County, Dorchester County, Garrett County and Somerset County. The details of the approved Action Plan and subsequent Action Plan Amendments may be found at www.mdhousing.org under *CDBG Disaster Assistance*.

AP-38 Project Summary
Project Summary Information

Table 11 – Project Summary

DRAFT

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds? No

Available Grant Amounts n/a

Acceptance process of applications

n/a

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State’s Process and Criteria for approving local government revitalization strategies

The State of Maryland use State Sustainable Communities policies to promote revitalization in local communities. To participate, municipal and county governments are asked to identify local areas in need of revitalization and create a comprehensive revitalization strategy or “Action Plan” guiding investment in accordance with the principals of sustainability. The “Action Plan” aims to increase economic, transportation, and housing choice, and improve environmental and health outcomes among other locally identified goals.

The Sustainable Communities Act of 2010 was established by the Maryland General Assembly, and consolidated all previously DHCD-designated Community Legacy and Designated Neighborhoods and gave them interim Sustainable Community designation. Local communities whose Sustainable Communities designation was not updated by December 31, 2013 had their designation terminated.

In order to obtain (or retain) a Sustainable Communities designation, local governments apply for designation through applications available from DHCD. Applications for Sustainable Community designation are reviewed by an interagency panel and must be approved by the Governor’s Smart Growth Subcabinet. Once approved, communities retain their designation for five years.

All SC Area applications must meet the following threshold requirements:

- 1) Sustainable Community Area boundaries must be entirely within a Priority Funding Area (PFA) and should be indicative of a targeted approach;
- 2) A local government resolution in support of the boundary designation and Plan should accompany the application or must be in process (all SC Area designations will be contingent upon an executed local resolution);
- 3) Entities in the community must have pledged financial and/or in-kind resources to implement the Plan as indicated by letters of support;

4) The proposed Sustainable Community is within or near a town center or transportation center, or there is a need for financing assistance for small businesses, nonprofit organizations or microenterprises;

5) The proposed Plan must be consistent with other existing community or comprehensive plans;

6) A Sustainable Communities Workgroup is formed and a roster of members is provided.

Applications that do not meet these threshold requirements will not be considered.

Application Evaluation

The Sustainable Community application will be scored using the following 120-point framework:

- Sustainable Community Baseline Information (20 Points)
- Local Capacity To Implement Plans & Projects (15 Points)
- Sustainable Community Action Plan (65 Points)
- Progress Measures (20 Points)

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Housing data provided by HUD revealed a similarity of need from jurisdiction to jurisdiction in Maryland. For example, if the percentage of “small, very low- income renter families” with housing needs was 65 percent statewide, virtually every jurisdiction within the State was within a few percentage points of the statewide average. In the survey of needs completed for the five year Plan, questions regarding infrastructure, community development, and economic development needs also indicated a similarity of need from jurisdiction to jurisdiction.

Since similar needs exist throughout the State, the State will not target its funds to certain jurisdictions, except as established by law. For example the State’s allocation of CDBG funds may only be used in non-entitlement areas. Since there is a major emphasis on directing resources to growth areas and areas in need of revitalization, we will generally be targeting funds to projects located in Priority Funding Areas (PFAs) as well. The information below provides an outline of how funds will be targeted.

Programs (or parts of programs) that are not required to fund projects located only in PFAs.

- Federal and State Lead Paint Reduction programs
- Weatherization for Low Income Persons
- Indoor Plumbing Program
- Single Family Rehabilitation (MHRP: 1-4 units)
- Accessible Housing Grant and Loan Program (AHGLP)
- Group Home Financing
- HOME- for single family homes only
- Maryland Mortgage Program- for existing homes
- Local Government Infrastructure Financing
- Rental Allowance
- Emergency Solutions Grants
- CDBG- for single family housing rehabilitation only
- Community Services Block Grants
- Maryland Appalachian Housing
- Accessory Shared and Shelter Housing
- Section 8 Voucher /Certificate
- Section 8 Moderate Rehabilitation

Programs required by law to fund projects located only in Smart Growth Areas

The Smart Growth- Priority Funding Areas Act of 1997 requires that the following DHCD programs be used exclusively in Priority Funding Areas (PFAs). Moreover, the Sustainable Communities Act of 2010 requires that certain programs must be located in a sub-area concentration now known as Sustainable Communities.

Neighborhood Revitalization

Community Investment Tax Credit- In Priority Funding Areas

Main Street Maryland/ Main Street Improvement Program- in Sustainable Communities

Community Legacy Program- in Sustainable Communities

Community Development Administration

Neighborhood BusinessWorks – in Sustainable Communities

Homeownership

Maryland Mortgage Program (MMP)- excluding O.B.O.- for new construction

Maryland Home Financing Program – for new construction

Preferred Interest Rate Loan Program – for new construction

HOME- for new construction

Rental Housing

Elderly Rental Housing- for new construction

Rental Housing Production- for new construction

Multifamily Housing Revenue Bond Financing- for new construction

HOME- for new construction

HUD also asks if or how funds will be specifically targeted to areas of minority concentration. In its Analysis of Impediments to Fair Housing Choice, the State defined a “high concentration” of minority households as a census tract where the percentage of minority households is at least 10% greater than the county average. Based on this definition, of the 46 census tracts in Maryland’s non-entitlement areas during period of analysis, 25 or slightly over 7% had census tracts of high minority concentration. DHCD targets its funding to Priority Funding Areas (PFAs). Of the 25 tracts with concentrations 15 have concentrations due to Historically Black Colleges and Universities, hospital centers, military bases, or prisons. Of the remaining 10 tracts 9 are all located within PFAs. Because of DHCD’s emphasis on targeting PFAs, areas of minority concentration are targeted for assistance through the State’s housing and community revitalization programs. (One sole concentration in Charles County is located outside a PFA and is a minority concentration, but is not a low income concentration. See the States Five Year Plan’s discussion of concentrations and the Analysis of Impediments to Fair Housing Choice for more information.)

Geographic Distribution

Target Area	Percentage of Funds

Table 12 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

DHCD supports community revitalization through Sustainable Community and Smart Growth efforts. The reason for this is to both have strong communities, as well to use resources in an intelligent, sustainable manner. Relatedly, at the national level, the U.S. Department of Housing & Urban Development (HUD), Department of Transportation (DOT), and the Environmental Protection Agency (EPA) have committed to coordinate their capital investments in alignment with the following six “Livability Principles”:

1. Support existing communities. Target public and private resources toward existing communities—through strategies like transit oriented, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and to safeguard rural landscapes.

2. Value communities and neighborhoods. Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

3. Coordinate and leverage policies and investment. Align policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

4. Enhance economic competitiveness. Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

5. Promote equitable, affordable housing. Expand location and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

6. Provide more transportation choices. Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation’s dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

The State of Maryland’s Sustainable Communities echo these federal policies, directing State resources to efforts that carry out these goals and the State’s goals for communities.

Discussion

For more information and a list of Sustainable Communities in Maryland by County, please visit DHCD’s website at the following address: <http://dhcd.maryland.gov/Communities/Pages/dn/default.aspx>

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

The table below provides an estimate of the number of persons DHCD expects to assist with affordable housing in the next year:

The State uses a method of distribution for funding and does not have numerical goals for the number of homeless persons that will be assisted. The 9,000 non homeless persons assisted include producing about 1,500 homeownership units, financing about 2,000 new apartments, providing Tenant Based Rental Assistance to about 3,000 households, and rehabilitating about 2,500 housing units with weatherization and other funding. The Special needs households assisted includes a combination of households assisted with HOPWA funding, Group Home and SHOP funding, rental assistance through the 811 program, assistance under the Homeownership for Individuals With Disabilities program, and handicapped units produced under the Qualified Allocation Plan for LIHTC.

One Year Goals for the Number of Households to be Supported	
Homeless	100
Non-Homeless	9,000
Special-Needs	350
Total	9,450

Table 13 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	3,000
The Production of New Units	2,000
Rehab of Existing Units	2,500
Acquisition of Existing Units	1,500
Total	9,000

Table 14 - One Year Goals for Affordable Housing by Support Type

Discussion

Note that the goals above are slightly lower than the goals listed for the numbers of households assisted. This is to prevent double counting. For example, persons with Special Needs will be helped with rental assistance, as well as the production of new units. So they will be assisted in newly produced units while receiving rental assistance at the same time. The Rental Assistance category in general is also “front loaded”, as it includes all of the households who are assisted with Section 8, as well as HOPWA and RAP and Section 811 funding. In future years this number will be significantly lower as we will not double count the Section 8 numbers, and only count persons assisted with HOPWA, RAP and 811 funding. Lastly in the above table, we are assuming acquisition of existing units is defined as providing homeownership opportunities as there is no place else to identify homeownership activities in this table.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

DHCD does not operate a public housing program it is a Housing Choice Voucher only Public Housing Agency (PHA). However, DHCD will work with PHAs throughout the State to help them revitalize their public housing inventory. In addition, the Department was awarded 75 Project-Based Vouchers to develop a Project for homeless Veterans.

Actions planned during the next year to address the needs to public housing

DHCD will be working on major projects with the Baltimore City Public Housing Authority, among others, to revitalize properties through the RAD Demonstration Program. This multi-year effort is expected to rehabilitate over 15,000 public housing units in Baltimore City and other counties in the next few years.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

DHCD established a homeownership program for Section 8 Housing Choice Voucher holders several years ago and will offer its Section 8 homeownership program to participants of who have been assisted for at least three (3) years the option to purchase a home with rental assistance through the tenant based voucher program. In addition, PHA residents may be eligible applicants under DHCD's homeownership programs which offer down payment and closing cost assistance and reduced interest rates to first time homebuyers.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Wicomico County has been designated a troubled PHA for fiscal issues. DHCD will provide technical assistance to the county however HUD's PIH office prefers these types of issues to be handled by their contractors such as Nan McKay and Associates.

Discussion:

As part of the 1998 Quality Housing and Workforce Responsibility Act (QHWRA), Maryland and other States must describe how they would assist troubled PHAs with "financial or technical assistance" to help them lose their troubled status. HUD scores PHAs on their management practices and the physical quality of their units - a SEMAP or PHAS score under 60% results in a PHA being given "troubled" status. In the event a PHA is designated as troubled, DHCD will cooperate with HUD to provide technical assistance to help the PHA lose its troubled status. The type of assistance offered will be based on the findings in HUD's scoring that resulted in the PHA's troubled status. Examples of technical assistance DHCD will offer could include asset management, property management, or day-to-day operations, as appropriate. (We would note that while we can provide some assistance, HUD's Office of Public and Indian Housing (PIH) requires troubled PHAs to get assistance from HUD approved TA providers such as Nan McKay or NAHRO. DHCD is not a HUD-approved TA provider.)

In addition, troubled PHAs, regardless of whether they are located in entitlement or non-entitlement jurisdictions, are eligible applicants for DHCD's housing rehabilitation programs, including for the rehabilitation of both multi-family and single family properties.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The local Continuums of Care assess the needs of homeless persons and their individual needs as part of their operations. This includes a yearly Point-in-Time count that is done utilizing state funds, which also includes a survey of unsheltered persons every other year in most jurisdictions. The State of Maryland also uses ESG funds to support Street Outreach efforts by local service providers.

Addressing the emergency shelter and transitional housing needs of homeless persons

The emergency shelter and transitional housing needs are addressed through a wide variety of tools and programs operated by the local Continuums of Care. As noted in the appendices, there is an extensive network of homeless shelters and transitional housing in Maryland. The State of Maryland provides operating costs for these programs through both federal and state ESG funding. In addition, some communities utilize motel placements to temporarily house individuals and families as they make the transition from homelessness. Additionally, DHCD continues to fund the construction of new homeless shelters and transitional housing through its Shelter and Transitional Housing Grant Program.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State uses a variety of programs and resources to help homeless persons make the transition to permanent housing and independent living, and preventing individuals and families who were recently homeless from becoming homeless again.

The State's transitional shelters provide the services and training that homeless individuals need to make the transition to permanent housing, including either supportive housing or simply affordable housing. Individuals and families are typically put on the Section 8 waiting list for affordable housing, and the State actively uses and works to obtain funding that can be used for various homeless populations such as VASH Vouchers, or Section 811 funding that will be used in conjunction with persons with disabilities as they are deinstitutionalized from hospital settings. Federal ESG funding, which is matched dollar for dollar with State funding, is used to provide rapid re-housing in an effort to shorten the period of time individuals and families are homeless. To prevent them from becoming homeless again, providers also offer these individuals and households supportive services to focus on

the assistance required to remain in permanent housing. Families and individuals are also put onto Federal Section 8 Voucher waiting lists, and the State operates its own programs that provide short term rental assistance while families and individuals move up the list so that they have the resources they need to pay the rent and not return to homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discussion

The State has several programs that assist homeless individuals who are homeless or are at risk of becoming homeless. Both state and federal funding goes into ESG programs that focus on homelessness prevention, while other state-funded programs such as the Rental Allowance Program (RAP) provide rental assistance that keeps individuals and families from becoming homeless.

The Department of Health and Mental Hygiene has the lead role for individuals who are likely to become homeless after being discharged from publicly funded institutions or systems of care. The types of activities they undertake in coordination with other State agencies (such as DHCD, Corrections, DHR, and others) include:

- Supporting consumers and family members in navigating the PMHS
- Coordinating outreach services for individuals who are homeless and experiencing mental illnesses
- Assisting in developing transition plans for consumers returning to the community from prisons and jails
- Facilitating discharge planning for children and adolescents in residential placement or residential level services
- Screening individuals for whom admission to an inpatient facility is requested to determine whether a less restrictive alternative can be provided
- Collaborating with acute care and state hospital facilities to facilitate transition to the community for individuals leaving inpatient care
- Granting access to the PMHS for uninsured clients in crisis
- Managing care for high-cost users to ensure they receive the most appropriate care in the least restrictive setting

Local Addictions Authorities also have a roll in this effort. This includes:

- Assisting and supporting consumers and families in accessing substance use disorder services
- Coordinating with other service systems to provide outreach to homeless persons who are in need of substance use disorder services
- Providing or facilitating pre-trial and community re-entry services to incarcerated individuals returning to the community
- Assessing all individuals requesting residential services for appropriate level of care
- Granting access to residential treatment beds when necessary, and
- Managing care for all residential clients to assure continuity of care

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	117
Tenant-based rental assistance	158
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	275

AP-75 Barriers to affordable housing – 91.320(i)

Introduction

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Discussion

The State does not have policies that serve as barriers to affordable housing. The State does not have policies affecting the return on residential investment, nor does it have control over zoning. The State also does not have tax policies affecting land, nor does it charge fees for building.

The States does have some control over building codes, and adopted the International Existing Building Code (IEBC) in 2015, which became effective 2016. DHCD operates a Rehab Code Hotline which is a toll free number to help people determine code requirements for their projects. The use of the IEBC actually reduces barriers to affordable housing not only because it standardizes code, but also because it allows communities to receive technical assistance including code interpretations from the International Code Council which they would otherwise be unable to access. The State also follows the 2015 International Energy Conservation Code, and the International Green Conservation Code, both of which make housing more affordable by reducing energy costs as well as promoting sustainable development.

AP-85 Other Actions – 91.320(j)

Introduction

NA (NOTE: We cannot find a formal definition from HUD what this means, as it is traditionally related to services.)

Actions planned to foster and maintain affordable housing

DHCD will continue undertaking efforts under a rental housing preservation initiative funded by the John D. and Catherine T. McArthur Foundation. Over 10 years, DHCD will seek to increase rental housing preservation by 9,000 units over its “baseline” production levels in nine (9) Counties impacted by the federal Base Realignment and Closure (BRAC) process. MacArthur Foundation funding totaling \$4.5 million will enable DHCD to undertake a comprehensive approach toward systemic streamlining and financing to increase production levels in these targeted Counties.

Actions planned to reduce lead-based paint hazards

DHCD continues to be pro-active and operates its own lead abatement program funded with State appropriations that help control lead hazards. In addition to requiring lead abatement for all HUD funded projects, the Department also requires it when used with its own funds or other resources such as Federal Low-Income Housing Tax Credits. The Maryland Department of the Environment enforces lead paint reduction and control rules for landlords which also helps substantially reduce childhood exposure to lead based paint.

Actions planned to reduce the number of poverty-level families

The State of Maryland is strongly committed to reducing the number of households in Maryland living in poverty. The citizens of Maryland recognize that persons who live in poverty need a combination of social services and economic opportunities to get back on their feet. The State’s Temporary Assistance for Need Families (TANF) is the State’s plan for helping families get out of poverty. It can be found on DHR’s website at www.dhr.state.md.us

In addition to the TANF Plan, DHCD undertakes additional efforts to help families who are in poverty. This is done primarily through the Community Services Block Grant Program (CSBG) which is funded through the U.S. Department of Health and Human Services (HHS). The State was awarded \$9.2 in CSBG funds for FFY 2014 Funding is provided to subgrantees on a quarterly basis.

CSBG funds are granted to states in order to ameliorate the causes of poverty. To this end, the State allocates CSBG funds to the State’s 17 local Community Action Agencies (CAAs) and one Limited Purpose Agency (LPA) which in turn provide a range of services and activities having a measurable and potentially major impact on causes of poverty within a community.

HHS has issued six broad national objectives for the CSBG program. Within these national objectives, the CAAs of Maryland are using and have chosen the following national objectives and indicators that assist low-income participants to achieve the following:

- **Family Self-sufficiency:** Low-income people become more self-sufficient;
 - **Community Revitalization:** The conditions in which low-income people live are improved;
 - **Community Investment:** Low-income people own a stake in their community;
 - **Community Capacity Building:** Partnerships among supporters and providers of services to low-income people are achieved;
 - **Agency Capacity Building:** Agencies increase their capacity to achieve results; and
 - **Family Stability:** Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.
 - Furthermore, the State emphasizes that actions undertaken with the CSBG program:
1. Focus resources toward the most needy.
 2. Provide employment opportunities for low-income persons.
 3. Close service gaps.
 4. Enable low-income persons to participate in community action programs and projects.

During the coming year, DHCD's focus in working with CAAs will primarily be through inter-agency coordination and capacity building. This will include facilitating the coordination of resources and or offering training in a variety of areas including housing, community development, fiscal oversight, board management, etc. By linking agencies with other partners, including those receiving HUD funding, and assisting with building their capacity, CAAs will then be better able to carry out goals involved with helping families become both stable and self-sufficient. In addition, it will better enable CAAs to compete for DHCD funds that promote community revitalization and investment.

Actions planned to develop institutional structure

The State will use inter-departmental forums and meetings to coordinate resources, develop consistent policies and methods to achieve stated goals and objectives. DHCD has enacted several new policies in the past several years to improve the ability of developers to provide affordable rental housing. These programs include the rental housing preservation initiative with the John D. and Catherine T. MacArthur Foundation, streamlined bond program, the reopening of MHRP-MF, and changes to PRHP. The MacArthur Foundation preservation initiative includes working with HUD and the nine counties impacted most heavily by the BRAC to standardize underwriting for preservation projects, and working with the Maryland Energy Administration (MEA) and Public Service Commission (PSC) to strengthen energy efficiency and green building initiatives. Community Development coordination will be improved and streamlined through the State's Development Plan, as well as the federal and State Sustainable Community Initiatives

Actions planned to enhance coordination between public and private housing and social service agencies

Federal Low Income Housing Tax Credits. DHCD has a uniform application and process for allocating tax credits that is also used in award rental housing funds from State and federal resources. The uniform application and allocation process was developed in 1995 to improve coordination of all programs providing funding for multifamily rental housing projects. Federal Low-Income Housing Tax Credits will continue to be awarded through DHCD's uniform allocation process for multi-family housing.

In addition:

- DHCD will work with DHMH and MDoD on the State's Section 811 demonstration program which will provide rental assistance to individuals with disabilities so that they can become self sufficient while expanding housing choice.
- Through a partnership with the John D. and Catherine T. MacAuliffe Foundation, DHCD will work with nine (9) counties in Maryland in a coordinated manner to foster affordable rental housing
- DHCD will continue to work with Department of Disabilities (DoD) and the Department of Human Resources (DHR) to provide housing for very low income Marylanders. DHCD is coordinating the use of two Weinberg Grants with DoD and DHR on this effort.
- DHCD will continue its coordination for energy efficiency with MEA, PSC, weatherization and sources of funding from HUD, DOE, PSC and utility companies.
- DHCD will continue to fund and operate its own Homeownership for Individuals with Disabilities Program, working with DHMH and other agencies to enable persons with disabilities, families with disabled children and borrowers who are guardians for an immediate family member who is disabled to purchase their home.
- DHCD will work with the State's Housing Authorities to provide technical support and financing to help them rehabilitate their properties. On a regular basis, DHCD staff meet with executive director of Public Housing Authorities (both in individual and group setting) to discuss specific financing strategies for their projects. This includes RAD demonstration projects discussed in one year goals.
- DHCD will work with the Maryland Department of Aging and the Maryland Department of Health and Mental Hygiene to carry out the Accessible Housing Loan and Grant Program which was authorized as its own stand-alone program in the 2013 legislative session.
- DHCD's Division of Neighborhood Revitalization will work with local Continuums of Care to continue to find solutions to help homeless, including increased coordination and participation in funding efforts under Emergency Solutions Grant Program.

- DHCD's Division of Community Development Association and Division of Neighborhood Revitalization will coordinate with the Governor's Office of Business Advocacy and Small Business Assistance (GOBA) and the Office of Minority Affairs, as well as the Maryland Department of Transportation (MDOT) and the Maryland Department of Commerce to increase their awareness of the Neighborhood Business Works (NBW), Maryland Capital Access and Linked Deposit Program and the gap financing, credit assurance/ loan loss reserves and interest rate buy downs available for state-up and expanding small and micro businesses located in revitalization areas across the State.
- DHCD's Division of Community Development Association will continue to collaborate with the U.S. Small Business Administration to promote the Neighborhood Business Works Program.
- DHCD's Division of Division of Neighborhood Revitalization will continue to work with the Maryland Department of the Environment and the U.S. Department of Agriculture to cross refer infrastructure projects to the most appropriate funding source.
- DHCD's Division of Division of Neighborhood Revitalization will work with the Small Business Development Center Network and other providers of support to small and micro business (e.g. Morgan State University) in order to generate new referrals of small business seeking gap financing.
- DHCD's and Division of Neighborhood Revitalization will continue to coordinate marketing of the Community Investment Tax Credit program with both internal and external partners including but not limited to the local Community Development Corporations and Community Action Agencies, Main Street Maryland organizations, the HOPE Counseling Network, the Maryland Historical Trust, the Maryland's Comptroller's Division of Revenue Administration, the Maryland Association of Nonprofit Organizations, the Maryland Chamber of Commerce, The Maryland Association of Realtors, the Maryland Economic Development Association and the Maryland Association of Certified Public Accountants.
- DHCD's Division of Neighborhood Revitalization will continue to coordinate with the Maryland Departments of Natural Resources, Health and Mental Hygiene, Aging, and Transportation regarding projects that can be jointly funded.
- DHCD's Division of Neighborhood Revitalization will continue to coordinate with its primary customers- local governments, community development corporations, nonprofit organizations, and small businesses to provide a variety of technical and financial resources.
- DHCD will work with the Governor's Grants Office, as well as eligible applicants, in obtaining both federal and foundation grants for itself and its partners.
- Small Growth- DHCD will work with other State agencies in promoting Smart Growth throughout Maryland.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00% FFYs 2014-2016

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows: NA
- 2.
3. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:
See Method To Ensure Compliance with Recapture Requirements
4. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:
See Method To Ensure Compliance with Recapture Requirements
Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows: NA

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)
See method of distribution
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.
The State of Maryland does not have a Balance of State Continuum of Care, and does not directly participate in one of the 16 Continuums of Care in the state. Coordinated assessment is done by the local Continuums of Care, who certify that they are meeting the HUD requirements through the application for ESG funding.
3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).
See method of distribution
4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.
N/A
5. Describe performance standards for evaluating ESG.
See method of distribution

Discussion

See method of distribution